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ESTABLISHED 1887

Clinton's Latest: Botched Nomination Compounds Doubts

By Dan Balz Washington Post Service WASHINGTON — It was a sad and beaten-looking President Bill Clinton who walked into the White House briefing room to announce he was withdrawing Lani Guinier's nomination.

Bosnie, a White House travel office upgrader, a costly haircut. With supporters and opponents of Ms. Guinier pressing the White House over the nomination, Mr. Clinton found himself in a lose-lose situation.

"I cannot fight a battle that I know is divisive, that is an uphill battle, that is distracting to the country, if I do not believe in the ground of the battle," he said, pounding the lectern for emphasis.

Mr. Clinton's willingness to take responsibility for the problem deflected blame from a White House staff that has failed him repeatedly during his four months in office, and specifically on two Justice Department nominations.

Bonn Indicts 3 More in Arson Death Of 5 Turks

Officials Tie Neo-Nazis To Murders 'Imbued With Xenophobia' By Marc Fisher Washington Post Service

Vacancy Sign Hanging on 37 U.S. Embassies

By Elaine Sciolino New York Times Service WASHINGTON — Early this year, the White House asked two veteran Democrats whether they would like to be ambassador to Japan.



Buddhist monks attending a peace rally in Phnom Penh on Friday. Deep divisions within the Cambodian royal family threw the process of forming a new government into doubt.

Royal Family Feud Derails Cambodian Coalition

By Philip Shenon New York Times Service PHNOM PENH — Prince Norodom Sihanouk, struggling to explain how his coalition government had collapsed only hours after its creation, made clear Friday that he blamed the debacle on his son, the leader of the opposition political party that won Cambodia's internationally supervised elections.

watched anxiously Friday as the peace process threatened to dissolve into a squabble pitting father against son. On Thursday, Prince Sihanouk, 70, announced that he had formed a coalition of the royalist opposition party led by his son, Prince Norodom Ranariddh, 49, and the Vietnamese-installed incumbent, Prime Minister Hun Sen.

Cambodian people "for abandoning the establishment of the national government of Cambodia." He blamed Prince Ranariddh for the collapse of the arrangement.

U.S., in a Shift, Courts Ukraine

By Michael R. Gordon New York Times Service WASHINGTON — Reversing a strategy of using diplomatic pressure to persuade Ukraine to give up its nuclear weapons, the Clinton administration is now trying to woo Kiev with promises of cooperation and economic support.

The New Russia Writes a Charter, but Old Risks Remain

By Margaret Shapiro Washington Post Service MOSCOW — More than 700 people, representing the various emerging interest groups of the new Russia, gather in Moscow on Saturday to begin the politically complicated and risky task of writing a democratic constitution.

"A new political era is knocking at our door and we should open it at last," said Sergei B. Stankevich, an adviser to President Boris N. Yeltsin.

last two weeks but which could drag on much longer — a document as lasting as the U.S. Constitution, or even any document at all, will have been drafted.

Administration officials say their new approach is intended to show that Washington's interest in Ukraine goes beyond nuclear weapons and that the United States is interested in cooperating on a broad range of fronts.

Kiosk Guatemala Orders Serrano's Arrest GUATEMALA CITY (Reuters) — Guatemala's Supreme Court ordered the arrest of former President Jorge Serrano Elias on Friday for his seizure of near-dictatorial powers 10 days ago.

Spain Goes to the Polls On Sunday, Spaniards vote in what is expected to be the closest election in 16 years of democracy (Page 2)

It's Sayonara to the Boom Japan's Nuptials Fail to Lift Economy

By Paul Blustein Washington Post Service TOKYO — What happened to the Masako boom? By now, the Japanese economy was supposed to be regaining its vigor, buoyed by the joyous atmosphere surrounding the wedding on Wednesday of Crown Prince Naruhito and the former diplomat Masako Owada.

even faster

See BUSTU, Page 13

UN Allows Troops For Bosnia Cities, But Not Just Yet

Compiled by Our Staff From Dispatches UNITED NATIONS, New York — The Security Council voted Friday to authorize the sending of troops to protect six Muslim enclaves in Bosnia-Herzegovina...



The embattled prime minister kissing his wife, Norma, on Friday at a party rally.

Major Defiant Despite a Rating of 21%

LONDON — Prime Minister John Major delivered a defiant riposte to his detractors Friday after a new poll labeled him the most unpopular British leader for more than half a century.

In Spain, Rivals Give Final Effort Before Vote

MADRID — Spain's main political parties made a final drive Friday for votes on the last day of campaigning for Sunday's general elections, the closest in the country's 16 years of democracy.

WORLD BRIEFS

In Shift, U.S. Signs Biodiversity Pact UNITED NATIONS, New York (Reuters) — The United States, in a reversal of Bush administration policy, signed a treaty Friday designed to protect plants and animals that was a centerpiece of the United Nations conference on the environment in Rio de Janeiro last June.

Israel Invests in a Highway Network JERUSALEM (AP) — Israel is investing hundreds of millions of dollars in a vast road network to make its seaports and airport a shipping gateway for the occupied territories and surrounding Arab states, a newspaper reported Friday.

Panel Blocks Move of French School PARIS (Reuters) — France's top administrative watchdog agency annulled a decision Friday by the former Socialist government to move the elite national civil service college from the capital to the eastern city of Strasbourg.

Panel Blocks Move of French School (continued) PARIS (Reuters) — France's top administrative watchdog agency annulled a decision Friday by the former Socialist government to move the elite national civil service college from the capital to the eastern city of Strasbourg.

Bosnian Serbs Seize 2 Muslim Villages

SARAJEVO — Bosnian Serb forces said Friday that they had overrun two villages near the Muslim enclave of Gorazde in eastern Bosnia, defying international efforts to protect the UN-designated "safe haven."

needed written permission from General Ratko Mladic, commander of Bosnian Serb forces. Muslim-controlled Bosnian radio said that on Thursday more than 3,000 projectiles and shells hit Gorazde, where 60,000 people were believed trapped.

TRAVEL UPDATE

British Air Service in 24-Hour Strike LONDON (Reuters) — Travelers at London airports suffered delays and disruption Friday after a peace settlement late Thursday failed to prevent British Airways employees from staging a 24-hour strike.

RELIGIOUS SERVICES - AMSTERDAM, BONN/KÖLN, HOLLAND, ASSOC. OF INT'L CHURCHES IN EUROPE & MIDEAST, BERLIN, BRUSSELS, COPENHAGEN, FRANKFURT, GENEVA, LONDON, MOSCOW, OSLO, PARIS, STOCKHOLM, VIENNA, WARSAW, ZÜRICH. Includes contact info for various international churches.

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Part of Uffizi to Reopen June 20, After Repairs

FLORENCE — The Uffizi Gallery, badly damaged by a car bomb on May 27, will partly reopen June 20, according to the Italian Cultural Ministry. 'Repairs are being carried out faster than had originally expected.'

Marginal text and advertisements on the right edge of the page.

STATESIDE / ANOTHER EX-NOMINEE



Ms. Guinier asserted that the president and many others had misinterpreted her writings.

Clinton's Classmate Says She'd Have Won Job

WASHINGTON — Lani Guinier, whose name was withdrawn by President Bill Clinton as nominee for a senior Justice Department post, said Friday that she could have won Senate approval had she been allowed to defend her controversial views at confirmation hearings.

"Had I been allowed to testify in a public forum before the U.S. Senate, I believe the Senate would have agreed that I am the right person for the job," a visibly emotional Ms. Guinier said at a news conference one day after Mr. Clinton announced he was dropping her nomination.

Ms. Guinier, a black University of Pennsylvania law professor who had headed the Justice Department's civil rights division, thanked Mr. Clinton and Attorney General Janet Reno for defending her character and competence even though Mr. Clinton had said he could not support some of her views on minority rights.

"I respect the president, but I disagree with his decision to withdraw my nomination," she said in reply to a question. She made clear she felt that Mr. Clinton and everyone else had misinterpreted her views. "The president and many others have misinterpreted my writings, which were written in an academic context which are very nuanced and very ponderous," Ms. Guinier said.

Ms. Reno, meanwhile, said that Mr. Clinton was ready to move quickly to select a new civil rights enforcer. Ms. Reno, who had staunchly supported Ms. Guinier, said Friday: "It's time to move on."

Black and feminist leaders reacted angrily on Friday to the decision. The Reverend Jesse L. Jackson accused Mr. Clinton of succumbing to conservative pressure and falling into a "pattern of retreat."

Kwesi Mfume, a Maryland Democrat and chairman of the Congressional Black Caucus, said, "I'm convinced that the administration has taken a giant step backward."

Robert Bork, a former federal judge and unsuccessful

Supreme Court nominee, told Fox TV that Ms. Guinier had been "bumped out to dry by the president."

But the Senate Democratic leader George J. Mitchell of Maine, said Friday that Mr. Clinton "made the right decision."

Mr. Mitchell added that "the controversy around her writings would have been divisive and counterproductive to the goal of civil rights enforcement." (Reuters, AP, AFP)

For Some, 'Quota Queen'

Michael Likoff of The Washington Post reported from Washington:

In the tradition of sound-bite politics, conservatives branded Ms. Guinier the "quota queen" — a radical, leftist

ideas is rewarded within the academic audience that Ms. Guinier was addressing, her articles were dynamite in the political arena. Even the president was disquieted when he finally, and belatedly, began to wade through them this week.

"They clearly lend themselves to interpretations that do not represent the views that I expressed on civil rights during my campaign," Mr. Clinton said in announcing that he was withdrawing her nomination.

Asked what disturbed him, Mr. Clinton cited one 1991 University of Michigan Law Review article in which he said Ms. Guinier seemed to be "arguing for principles of proportional representation and minority veto as general remedies that I think inappropriate as general remedies and anti-democratic, very difficult to defend."

At the heart of the controversy is Ms. Guinier's dismissal of what she has called "simple-minded notions of majority rule" and other democratic norms in order to explore ideas for expanding blacks' political power. "Minority empowerment requires minority legislative influence, not just minority legislative presence," she wrote in the Michigan article.

"The term 'anti-discrimination' refers to more than the basic process of decision-making," she wrote in another 1989 article in the Harvard Civil Rights-Civil Liberties Law Review. "It incorporates a result-oriented inquiry, in which roughly equal outcomes, not merely an apparently fair process, are the goal."

To achieve those goals, Ms. Guinier criticizes as ineffectual some traditional voting rights efforts, many of which centered on carving out majority black districts to ensure election of some black lawmakers. Instead, she advances an approach she calls "proportionate interest representation."

She writes that this would mean using the Voting Rights Act to force procedural changes on legislative bodies, such as requiring "supermajorities" for passage of laws, a minority veto and rotation of legislative offices.

'I believe the Senate would have agreed that I am the right person for the job.'

Lani Guinier

activist who advanced policies of racial preference and entitlement.

Her defenders replied that she was being victimized with "sneat jobs" from rightist foes of civil rights. Lani Guinier, they said, was well "within the mainstream," advocating ideas aimed at racial healing.

In fact, the articles that led to Ms. Guinier's demise are not easily simplified. Dense with footnotes and heavy on academic jargon, they challenge traditional views of voting-rights enforcement and stake out new theories and proposals for enhancing minority "empowerment."

While advancing novel and intellectually challenging

MUDDLE: Clinton's Latest Flub

Continued from Page 1

Guinier, the aides should mute any of their concerns.

It was almost as though the White House was on instant replay Thursday. Aides huddled nervously. The press office canceled its midday briefing. Officials hurriedly gauged public opinion and temperatures in the Senate. Another Justice Department nominee was jettisoned.

This was a mess of their own making, a repeat performance with variations on the Zed E. Baird and Kimba Wood episodes, which marked the beginning of Mr. Clinton's presidency. White House aides, conscious that they were making the same mistakes, watched in horror as the denouement of the Guinier nomination played out as a painful, slow-motion rerun.

As he left the briefing room Thursday night, Mr. Clinton described the pain of his long meeting with Ms. Guinier in the Oval Office. No matter which way he turned, he could not avoid angering friends. Whatever he decided threatened to weaken his political standing further. However it

POLITICAL NOTES

Clinton 'Close' to a High Court Decision

FREDERICK, Maryland — President Bill Clinton says that "we're close" to announcing a choice for a Supreme Court seat, and White House officials say the short list for that nomination now includes Bruce Babbitt, the interior secretary.

Presidential aides said that although Mr. Clinton might yet select a sitting judge to replace Justice Byron R. White, who will retire this month, he wants a candidate with whom he is close and comfortable, as he is with Mr. Babbitt.

Roy Neel, Mr. Clinton's deputy chief of staff, said the president was "still looking at a number of strong candidates." Asked about Mr. Babbitt, whose status as a potential nominee for the seat was first reported Thursday by The Wall Street Journal, Mr. Neel said only, "Certainly Bruce Babbitt has been a great secretary of the interior."

But other White House officials confirmed that the president was considering Mr. Babbitt, a 54-year-old graduate of Harvard Law School who became attorney general of Arizona and who later, as governor, appointed Sandra Day O'Connor, now a Supreme Court justice, to the Arizona bench.

Another cabinet official with whom Mr. Clinton has a particularly easy relationship is Education Secretary Richard W. Riley, and he too has been under consideration to succeed Justice White, even though he has told the White House he is not interested in joining the court. White House officials noted Thursday that Mr. Babbitt and Mr. Riley both were respected moderates who had already endured Senate confirmation hearings.

But the officials said Judge Stephen G. Breyer of Boston, who sits on the U.S. Court of Appeals for the First Circuit, was still high on the list of possible nominees, although Judge Jon O. Newman of Hartford, who sits in the Second Circuit, appears to have slipped somewhat. (NYT)

A Surprise Alliance: Clinton and Powell

By Eric Schmitt and Thomas L. Friedman
New York Times Staff Writers

WASHINGTON — It was during the transition, and President George Bush, Defense Secretary Dick Cheney and General Colin L. Powell, chairman of the Joint Chiefs of Staff, were sitting around the Oval Office with some aides, musing about Bill Clinton and the merry band of baby boomers about to storm the White House.

Mr. Bush and Mr. Cheney were teasing General Powell with the case of friends who had been through wars together, one participant in the meeting recalls. "Well, Colin, you're going to have to deal with these guys now," Mr. Powell said. "Not for long," Mr. Bush replied with raised eyebrows as the others laughed.

Indeed, when Mr. Clinton took office, General Powell already had one eye on the exit, considering retirement earlier than his currently planned departure in September. Since then, though, the two men have developed an intriguing relationship, one that neither of them could have expected.

The relationship began as a matter of mutual survival and remains a matter of mutual survival, but it has also evolved into one of mutual respect.

Mr. Clinton has needed General Powell's credibility to help buttress his own shaky standing as commander in chief. That fact was underscored during the Memorial Day ceremony at the Vietnam Veterans Memorial on Monday, when General Powell performed the political equivalent of falling on a grenade for his president, smothering with his own presence some of the angry dissent from Vietnam veterans by effusively introducing Mr. Clinton to the crowd.

Similarly, Mr. Powell has needed Mr. Clinton's cooperation to preserve a military institution to which he is almost mystically devoted and which in his view can flourish only if he can moderate the president's impulses to shrink the armed forces, to allow homosexuals to serve and to intervene in thorny areas like Bosnia.

But General Powell's relationship with his new boss has moved beyond institutional needs. To his own apparent surprise, the general who describes himself as the nation's senior active-duty Vietnam veteran has actually come to like

and respect the nation's senior active-duty draft avoicer.

General Powell has taken to describing Mr. Clinton to other generals as an intellectual whose sense of American history precludes his doing anything that would really hurt the military.

In an interview on Thursday, General Powell said of Mr. Clinton: "He has a historical perspective. He keeps the total picture in mind." But, the general added, their discussions of that history have largely steered clear of their Vietnam-era experiences except "in passing."

Despite General Powell's insistence that he and Mr. Clinton instantly "hit it off," his friends say the general has privately struggled to balance his loyalties to a young new president, whose views coming into office often clashed with his own, against his commitment to the armed forces and their 1.8 million members.

At times in the early weeks of the Clinton presidency, the general and his fellow chiefs appeared on the verge of insubordination, and it quickly became clear that Mr. Clinton was not about to take them on.

Clinton advisers say the president has discovered how much he needs and values General Powell's advice and experience. General Powell's views were central in reeling Mr. Clinton back from his campaign-bred inclination to intervene in Bosnia.

But, at the same time, Mr. Clinton's economic plans require him to slash the military budget to help pay for everything from the deficit to health care to aid for Russia.

Speaking of the Clinton team, a friend of the president observed: "This is a group of people who have no feeling for the culture of the military. Bill Clinton probably knew more gay people than military people before he came to Washington."

The two men met only last fall, but the seeds of their relationship were planted 26 years ago. In the summer of 1969, then-Major Powell was finishing his second tour in Vietnam. Mr. Clinton was a few months from helping to organize antiwar demonstrations in London and Washington.

It was this contrast that forged the real backdrop, and the mutual wariness, of their first meeting, which occurred at the Hay-Adams Hotel here last Nov. 19, two weeks after Mr. Clinton had been elected.

ENVOYS: Vacancies in 37 Posts

Continued from Page 1

Margaretta of Uggas, said she was not miffed that Secretary of State Warren M. Christopher did not directly consult her on the recent plan to create safe havens in Bosnia, she complained — ever so diplomatically — about the absence of a U.S. ambassador in Sweden for almost a year.

"It's quite natural that Mr. Christopher did not meet with us in Bosnia," Miss Uggas said in an interview last week. "But there are other ways to consult. One good way is to have ambassadors, and we and other countries are anxious to welcome them."

The White House takes exception to the criticism that it is moving slowly. "We're moving through the process and the pace at which we are moving is the appropriate pace," said Bruce R. Lindsey, director of presidential personnel, in an interview. "We'll certainly have ambassadors to all those countries."

Mr. Lindsey said he thought the embassies were functioning perfectly well without ambassadors. "Each of those embassies has capable people there fully capable of performing all necessary functions," he said.

The Senate has so far confirmed 12 ambassadors since Mr. Clinton took office, compared with nine at a comparable time in 1989 for the Bush administration and eight in 1981. Ronald Reagan's first term.

The White House has chosen 23 more candidates, but the paperwork and security checks have not been completed.

What the numbers do not show, however, is that the Clinton administration has left many of the world's most important posts empty, and that there seems little rush to fill them.

Mr. Clinton, who has been criticized by his own cabinet for having filled less than a quarter of the top-level positions throughout the government, canceled a meeting with the secretary of state last week to choose names from the president's list of friends and campaign contributors and Mr. Christopher's list of career Foreign Service officers.

Complicating matters is that Mr. Clinton wants to reward a number of his closest friends and most important contributors with embassies, according to senior administration officials.

At the top of his list, according to officials familiar with his thinking, are: Tom Lofus, former speaker of the House in Wisconsin, who is the front-runner for Norway; Swane Hunt, a Democratic fund-raiser from Denver; M. Larry Lawrence, a San Diego hotelier and Democratic fund-raiser; Edward Elson, a millionaire Atlanta businessman; Thomas L. Siebert, an Annapolis, Maryland, businessman who went to Georgetown Law School with Mr. Clinton, and Jeanette Hyde, a

White House Retreats on Training Plan

WASHINGTON — In the face of stiff opposition from business groups, Mr. Clinton has virtually abandoned a controversial plan to impose a new 1.5 percent payroll tax on U.S. companies to fund job training and retraining, according to administration officials.

The training tax proposal, a centerpiece of Mr. Clinton's economic agenda during last year's presidential campaign, has been shelved effectively by Labor Secretary Robert B. Reich, officials of his department said. Mr. Reich had suggested during the presidential transition that he was uncertain about the fate of the tax, but it is now clear that the idea has been quietly dropped from the administration's agenda. (LAT)

Now It's the Gores' Turn to Remodel

WASHINGTON — The U.S. Navy is spending more than \$1.2 million to renovate the 100-year-old vice presidential mansion, including \$277,000 to repair a rotting veranda and \$909,000 to repair heating, air conditioning, sprinkler, electrical and plumbing systems, officials say.

A kitchenette is also being added on the second floor to supplement a basement kitchen; closets are being enlarged, and certain privately financed "upgrades" are being made — including the addition of a bathtub with whirlpool jets off the master bedroom to be used by Vice President Al Gore and his wife, Tipper. (LAT)

Quote/Unquote

Senator Bob Dole, who will be 70 next month, dodging questions about his presidential ambitions: "I'm going to meet with Reagan and see if he thinks I'm too young to run." (AP)

Nice Trick if These Diamonds Are Forever

By Malcolm W. Browne
New York Times Staff Writer

NEW YORK — By cooking plastic in an ordinary oven, scientists at Pennsylvania State University seem to have achieved the chemical equivalent of making a silk purse out of a sow's ear: They have made a form of diamond.

Whether their instant diamond mix proves to have practical uses, the scientists believe they have hit upon a novel method for arranging the carbon atoms in a polymer that mimics the carbon structure of crystalline diamond. When this polymer is cooked at a relatively low temperature, it is largely converted to diamond.

The leader of the Penn State group, Dr. Patricia A. Bianconi, said the new method might afford a cheap way to coat large objects like airplane windshields with scratch-proof diamond surfaces.

Diamond, both natural and synthetic, has properties that make it uniquely useful to many technologies. For example, it conducts heat more rapidly than any other substance, including copper and silver. Diamond is a semiconductor, and manufacturers of computer chips consider it a potential replacement for silicon in densely packed microelectronic circuits because it could carry waste heat away from a chip much more efficiently than silicon.

Diamond is also the hardest of all substances, a property that makes it indispensable in machine

tools, drill bits, polishing abrasives and cutting wheels. Because of advances in the last decade in depositing thin films of diamond on carbon vapor, manufacturers are experimenting with such films as a coating for objects that require hard surfaces.

In the new research, reported Friday in the journal Science, Dr. Bianconi's group used a commercially manufactured compound as the building block for constructing their new polymer. When the polymer was heated to kitchen-oven temperatures, the final product emerged.

"What we have made is poor quality diamond — a mixture of true diamond with diamond-like carbon and ordinary carbon," Dr. Bianconi said. "Our diamond is not as good as the synthetic diamond films others have learned to make during the last 10 years by depositing carbon vapor on a variety of surfaces. But we merely wanted to show that it is possible to make diamond from a synthetic polymer, and we used the crudest possible techniques to demonstrate the principle. We know they can be refined to yield far better results."

Dr. Bianconi said in an interview that the Penn State group had withheld its announcement for 18 months to test and reconfirm its findings. The group has applied for a patent.

Away From Politics

● A ban on handgun sales is more popular than ever with Americans, who say it is needed for the safety of children in an increasingly violent society, according to a Louis Harris poll. The poll found 52 percent in favor of a ban and 43 percent opposed. That would be the first time a majority of Americans expressed support for a ban, officials said.

● In a major victory for the tobacco industry, the California legislature approved a measure to invalidate local efforts in Los Angeles and elsewhere in California to prohibit smoking. Governor Pete Wilson declined to say whether he would veto the bill, but his health director called it "a grave danger to the health of Californians."

● Unemployment among New York teenagers rose to 40 percent in the first three months of this year, the city said. It was nearly double the rate of two years ago and the worst in the 25 years that records have been kept.

● A gunman apparently bent on vengeance made his way to the 11th floor of the Essex County Court Building in Newark, New Jersey and killed a Newark police detective, John Sczyrcyk, 30. He was identifying as a key witness in the drug trial of a relative of the gunman, officials said. The suspect was captured a few blocks away.

● An epileptic prisoner who died in police custody was beaten to death while face down on a floor with his wrists manacled behind him. New York City's chief medical examiner said. He ruled the death a homicide. The victim, Johnnie Cromartha, had been arrested on a gun-possession charge.

● The body of a 3-year-old boy lay five years in the trunk of his transient parents' car, said the police in Bakersfield, California, who found the tiny skeleton under a mound of clothing. The boy's mother and stepfather, De Ette Stewart and William Bell, were arrested.

● A young Colombian stowed away in the wheel well of a cargo plane and "came out like a ball of snow" but survived a three-hour trip across the Caribbean at 35,000 feet (about 11,000 meters), Miami officials said. Guillermo Rosales, 13, was treated at a hospital and will be sent home.

AP, LAT, NYT

Handwritten Arabic text in a box.

Vertical text on the left margin: I.D. BRIERS, Biodiversity, in a Highway, Move of French...

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INTERNATIONAL Herald Tribune



HITTING THE MARK — Students at Butler Area Vocational-Technical School in Pennsylvania looking over five of six cars that were given away in a draw at graduation ceremonies. The students could win the cars in exchange for good grades and attendance.

AMERICAN TOPICS

Jumbled After All These Years?

Attention Deficit Disorder, blamed for disrupting the education of thousands of children, increasingly has been identified as the culprit responsible for the jumbled lives of many adults as well.

The disorder was long believed to be found only in the young. The outstanding characteristic was hyperactivity, but that usually subsides with adolescence. But other symptoms often persist into adulthood.

ADD is believed to be a result of underactivity in the brain's neurotransmitters, probably for lack of certain chemicals. In most cases, it is inherited.

Adults with the disorder can appear immature, lacking in self-control, obnoxious and inconsiderate, he said. They can have trouble holding a job, difficulty managing money and recklessness in interpersonal relationships.

Short Takes

After public relations disasters like the 1200

presidential haircut and the firing and rehiring of the White House travel office staff, the White House was so nervous about yet another gaffe that President Bill Clinton's travel schedule was changed at the last minute, according to U.S. News & World Report magazine.

Hangings in Washington state are carried out under guidelines that virtually eliminate the risk of decapitation or slow strangulation and do not amount to cruel and unusual punishment.

Over-the-counter smoking cessation products do not work and will be banned from the marketplace after Dec. 1, the Food and Drug Administration announced this week.

patch or nicotine gum, which are available only by prescription.

Columbia University, a century after moving its campus from mid-Manhattan to the Upper West Side, has accepted the 50-story General Electric Building in midtown as a gift from GE. The Art Deco skyscraper, built 62 years ago, is valued at \$40 million.

Geoff Hooper, 14, of Memphis, Tennessee, correctly spelled "kamikaze" to win the 66th annual National Spelling Bee this week.

Marion Robertson of Menlo Park, California, in a letter to the San Francisco Examiner, recalled a conversation between two friends on the relative merits of golf and tennis.

Arthur Higbee

Libel Mistrial North Korea Bars Its Frontier Left Only One Question

Washington Post Service SAN FRANCISCO — Jeffrey Masson's libel suit against the writer Janet Malcolm and The New Yorker ended in an unusual mistrial when a jury of seven women and a man could not decide on the amount of damages he was owed.

The outcome resolves very little in Mr. Masson's long crusade to prove that Ms. Malcolm libeled him in a two-part article that ran in The New Yorker 10 years ago. But the jury's finding that the 52-year-old psychoanalyst and scholar did not say any of the five quotations at issue in the trial and that Ms. Malcolm used two of the quotations even though she knew they were false left the two principals reacting as if there had been a verdict.

The only parties in the case who were pleased by the jury's decision were lawyers for The New Yorker, which was also a defendant. They contended that the jury's finding that Ms. Malcolm was an independent contractor and that the magazine's editors were not aware that any quotations were false removed the magazine from any future role in the case.

Under the scenario described by lawyers in the case, U.S. District Judge Eugene F. Lynch could accept the findings of the jury, drop The New Yorker from the case and order a new trial to determine the damages caused by the two quotations. Or he could order the case to be tried again, either with The New Yorker still a defendant or without it.

Both sides have 10 days to file for a new trial, and lawyers indicated they may pursue that course.

U.K. Soldier Jailed for Life

BELFAST — A British soldier, Private Lee Clegg, 25, was jailed for life Friday for murdering an 18-year-old Belfast woman, Karen Reilly, who was shot and killed by an army patrol while she was joyriding in a stolen car.

any such weapons, but U.S. and other intelligence services believe it has either already produced or is on the brink of producing a crude nuclear device.

A Japanese Foreign Ministry spokesman said it was aware of the reports about expelling foreigners but was unable to confirm them.

At Imperial Wedding, An Imperial Anthem?

TOKYO — The Imperial Palace, bowing to political pressure, said Friday that it would consider an agreement request to play Japan's official national anthem at Crown Prince Naruhiko's wedding on Wednesday.

"Cabinet ministers have said we should consider playing the anthem," said Hojo Nakajima, the palace's deputy grand master of the ceremonies, "so we are now looking into the possibility of whether this can be done."

The change of heart was sudden. Mr. Nakajima, briefing reporters on the wedding, had just finished saying there was no likelihood of playing "Kimigayo," which is such as a symbol of pre-1945 militarism and emperor worship by Asian nations that suffered under Japanese occupation.

He was then handed a memo informing him that the palace would "study" the cabinet's request.

The palace's willingness to consider the request followed criticism earlier Friday by conservatives, including Labor Minister Masahiko Marumoto, for not including "Kimigayo" in the wedding ceremony, which the government is paying for.

The anthem was not included on the agenda in its own right as a reflection on the groom, Naruhiko, and his bride, Masako Owada, a former career diplomat who has lived 14 of her 29 years overseas.

"The marriage is being carried out according to the wishes of the crown prince and his bride," Mr. Nakajima said.

Mr. Nakajima said that not a single foreigner was on the guest list for the imperial wedding. He said about 900 people, all Japanese, had been invited to the ceremony, which will be held inside the palace.

Then, between June 15 and 17, there will be six official banquets to which a total of 2,700 guests have been invited. The first five will be exclusively Japanese, with foreign diplomats invited to the last.

Mr. Nakajima said the crown prince would hold a reception after the wedding ceremony to which "foreign guests" would be invited, although he would not reveal their identities.

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Yeltsin Problem Pops Up Again as EC Summit Nears

By Tom Buerkle
International Herald Tribune

BRUSSELS — European leaders preparing for their two-yearly summit meeting in Copenhagen later this month find themselves confronted with a recurring problem: what to do with Boris N. Yeltsin.

The Danish government, which holds the European Community's rotating presidency and sets the agenda for the summit meeting, is pushing to bring Mr. Yeltsin into the proceedings.

The Danes have made clear that one of their primary objectives is to deepen ties between the Community and the countries of Central and Eastern Europe. Inviting the Russian president to sign a partnership agreement with EC leaders would be a crowning achievement of the summit meeting.

That prospect has other EC governments nervous, however. The talks on the partnership agreement — which would gradually open up

the EC market to Russian goods and hold out the eventual prospect of a free-trade arrangement — have stalled because of Russian objections to EC demands for guarantees on human rights and respect for global trading rules, EC officials said.

"The Russians are putting politics before detail," said one EC official, who spoke on condition of anonymity. "They want an agreement at all costs, and they have the Danes on board."

As a result, countries including Britain, France and Germany are taking a firm line. Mr. Yeltsin is welcome to come to Copenhagen and visit with EC leaders on the side of the summit meeting, diplomatic sources said. But there will be no question of negotiating a trade agreement on the spot.

The implied hope, sources said, is that if an agreement isn't ready for signing ahead of time, Mr. Yeltsin won't come.

"We are not going to be pressured by a visit to make concessions on a partnership agreement," said one EC diplomat.

The prospect of reaching an agreement should be clearer after talks in Moscow over the weekend between Leon Brittan, the EC trade commissioner, and Mr. Yeltsin and other top Russian officials.

Sir Leon will press anew the Community's demands on human rights and the need for Russia to accept obligations set by the General Agreement on Tariffs and Trade, particularly concerning anti-dumping rules, his spokesman said. The Community wants to be sure that a partnership agreement doesn't give Russia an opening to flood the EC market with low-priced goods.

Russia is not a member of GATT, but EC sources said they expect an application soon, perhaps in a matter of days. That would be "a step showing that they are serious," the EC diplomat said.

Another key stumbling point in the talks is a so-called evolutionary clause calling for Russia to advance toward free-trade status with the Community once it meets GATT obligations. Russia is hoping to have its performance reviewed under the clause two years after signing a partnership agreement, while some EC states leery of opening their markets up want to wait at least six years.

Sir Leon will brief EC foreign ministers at a meeting in Luxembourg on Tuesday.

Yeltsin Cancels Bentsen Talks At Last Minute

Compiled by Our Staff From Dispatches
MOSCOW — President Boris N. Yeltsin canceled a meeting with Treasury Secretary Lloyd Bentsen at the last minute Friday, the eve of a crucial constitutional convention.

This is a very busy time for President Yeltsin, Mr. Bentsen said. "He's canceled all his appointments for the day. We're now looking to see if we can work out another time."

Mr. Yeltsin, never a stickler for protocol, has frequently called off meetings with foreign officials at short notice.

The treasury secretary, who was to leave Russia on Saturday, had been expected to warn Mr. Yeltsin to bring the inflation-battered Russian economy under control.

A spokesman for Mr. Yeltsin, Alexander Orlyonov, met reporters at a Kremlin gate only minutes before the meeting was to begin to say it had been canceled. He gave no reason. (AP, Reuters)

UKRAINE: Washington Shifts From Stick to Carrot

Continued from Page 1

accords and joins the Nuclear Non-proliferation Treaty. Ukraine has not taken any of these steps.

[The Ukrainian parliament ended two days of debate Friday on the ratification of the disarmament treaties, postponing further discussion until later in the month. Legislators leaving a closed session of parliament said it had voted overwhelmingly to ask parliamentary commissions to study documents concerning the START-I and Non-proliferation treaties.]

The Clinton administration initially sought to step up the pressure on Ukraine, rebuffing Prime Minister Leonid S. Kuchma's request for a meeting with President Bill Clinton or Vice President Al Gore.

But critics complained that the strategy would backfire by making the Ukrainians feel isolated. So the administration switched gears and sent Mr. Talbot to Kiev. He proposed regular meetings between American and Ukrainian defense officials and exchange visits by Mr. Aspin and the Ukrainian defense minister, Konstantin Morozov.

Mr. Talbot also proposed that Deputy Defense Secretary William J. Perry work with the Ukrainians on converting their military industry to civilian use, and that Washington not buy any highly enriched uranium from old Soviet warheads unless Moscow gave Ukraine an equitable share of the proceeds.

The administration also reiterated President George Bush's pledge of at least \$175 million to help pay for dismantling Ukraine's nuclear weapons and said the United States would be willing to help resolve disputes between Moscow and Kiev. But the proposals fall far short of Ukrainian demands for guarantees against a Russian at-

back and for considerable economic aid.

Richard L. Armitage, who led the effort to assist the former Soviet Union in the Bush administration, also noted that there was a large gap between the Clinton administration's soothing message and the amount of aid that Washington has offered. Of the \$1.8 billion in assistance recently pledged to the former Soviet Union, only \$300 million can be used for non-Russian states.

Recent statements from Ukraine have further clouded an already

confused picture. Foreign Minister Anatoli Zlenko has urged parliament to ratify the strategic arms accords. But Reuters quoted legislators as saying Mr. Kuchma had told parliament that Ukraine should declare itself a nuclear state and temporarily keep part of the former Soviet nuclear arsenal.

A Defense Department official said Washington did not regard reports of Mr. Kuchma's statement as a definitive expression of Ukraine policy and would view any departure by Kiev from its pledges as a serious breach.



NO COMMEMORATION — Policemen checking a man's papers at Tiananmen Square in Beijing on Friday, the fourth anniversary of the bloody repression of the democracy movement. Security was increased at the square and elsewhere to prevent observation of the anniversary.

RUSSIA: A New Constitution, but Old Risks Remain

Continued from Page 1

those who would like to transform Russia into a confederation," said Victor Sheinin, a liberal democratic legislator.

Mr. Yeltsin has acknowledged the risks involved.

"I don't expect easy victories," he said this week. But the risks of doing nothing, the president and his supporters believe, are equally great. This point of view has in fact become widespread, even among Mr. Yeltsin's opponents.

Since the collapse of the Soviet Union, Russia has been governed by a constitution essentially written by Communist Party leaders during the era of President Leonid Brezhnev in the 1960s and '70s.

Much amended since, it is full of contradictions and Soviet ideology, a fact that has created an insurmountable stalemate between Mr. Yeltsin's pro-reform government and the conservative legislature, or Congress of People's Deputies. The Congress is still dominated by former Communists and hard-line nationalists.

Mr. Yeltsin, who was elected Russia's first president in 1991, has an electoral mandate to lead the country, one that was reaffirmed in an April 25 nationwide referendum on his rule and his policies. But the current constitution specifies the Congress, and indirectly its work-

ing subsidiary, the Supreme Soviet, as the highest law in the land.

Clashes between the two competing power and ideological centers came to a head in March when the Congress nearly impeached Mr. Yeltsin. Since then the tension, though not the struggle, has abated somewhat because of the pro-Yeltsin results of the April vote, which also reflected strong anti-Congress sentiment. It is in this context that Mr. Yeltsin is determined to do what many thought should have been done in the weeks after the 1991 coup — give Russia a new basic law of government for its new circumstances.

Fresh from his referendum victory, Mr. Yeltsin summoned the convention and handed out his version of what the new constitution should be. His opponents, centered in the Congress and around Vice President Alexander V. Rutskoy, have charged that Mr. Yeltsin does not have the right under the current constitution to do this, that only the Congress has the right to make constitutional changes.

But Mr. Yeltsin's move seems to have caught them off balance. The legislative leadership has split, and even many opponents have agreed to participate in the convention.

Mr. Yeltsin has offered a draft constitution that calls for a strong presidential republic with a two-chamber legislature. His opponents have charged that Mr. Yeltsin's proposal lacks essential checks and

balances and would create too powerful a presidency, given Russia's history of tyrannical czars and oppressive Communist bosses.

"Yeltsin's draft of the constitution virtually perpetuates the worst traits of the Russian political mentality," Alexander Tsipko, a historian, told the newspaper *Sovdnyia*. "Essentially it places the president in the position of traditional Russian autocrat, making him no different from a monarch or a Communist Party general secretary."

A competing draft, put together by a constitutional commission that Mr. Yeltsin once headed but that is now a legislative creation, proposes a parliamentary-style republic. It also provides for a dual-chambered legislature, but with a much more constrained president and with more orientation toward social guarantees.

Opponents of this draft argue that Russia, which is in the process of tumbling democratic and economic reform, needs a strong leader to push these processes through. In the current climate, they say, a weak executive branch would mean continued political drift and indecisiveness that would stymie Russia's transformation.

Many people here are predicting that a compromise can be worked out, since there are many similarities in the two drafts. But they warn that emotion on both sides, as well as strong pride of authorship, has become a real block to agreement.

South Africa's Historic Date Accord Nears on Vote Day, but on Little Else

By Bill Keller
New York Times Service

JOHANNESBURG — The tentative agreement on the date for the black majority here to cast their first votes left many major questions unresolved about the country's political destination, including what kind of government people will be electing on that magic day.

After a year and a half of fitful negotiations, the government and most of South Africa's opposition parties settled Thursday night on a date — April 27, 1994.

According to an earlier agreement between the government and the main opposition group, the African National Congress, voters will elect a 400-member constituent assembly that will write a new constitution and serve as the first post-apartheid parliament.

To reassure whites that they will not be shunted to the margins of the new order, the executive branch is to be a coalition of major parties, which will preside over the first five years of South Africa's new democracy.

But even this basic understanding has not yet been endorsed by the assembly of 26 parties and interest groups struggling toward a consensus on the country's future.

Officials of the government and the African National Congress said that naming the day of apartheid's demise would revive the flagging hopes of an impatient public and force the more recalcitrant negotiators to settle their remaining differences without delay.

"Setting the 27th of April as the election date is going to reverberate across the length and breadth of our country," said Cyril Ramaphosa, the chief negotiator for the congress. "And even those who are opposed to confirming it as the election date are going to find it impossible to move the masses of our people from knowing that the 27th will be the date."

The congress fought fiercely to name a date, warning that without some new ray of hope for the country's 30 million blacks, the restive black townships could erupt in frustration.

Negotiators have been picking their way slowly through lists of constitutional principles and proposals on how to assure fair elections, farming the most contentious issues out to technical committees.

The debate has often bogged down in opposition from a bloc of white conservative parties and leaders of black homelands, who have joined forces to prevent a strong central government that they fear will be dominated by the African National Congress.

They demand that the new South Africa be a federation of powerful regions, where they can retain their identities.

Several dissenters argued Thursday night that it would be foolish to name an election date when so many fundamental differences remain, and afterward they ridiculed the date as meaningless.

"It's untenable," declared Walter Felgate, a delegate of the Zulu-based Inkatha Freedom Party, which is the most formidable member of the conservative alliance. "At this point, I've got no confidence in that date."

Of the 26 participating parties, 17 wanted to set a firm election date on Thursday night. In the end they agreed that the date would be reviewed at a meeting on June 15, and submitted for final approval on June 25 to a larger forum.

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At State Funeral Call for Restraint

The Associated Press

TASOVA, Turkey — Turkish and German officials called for restraint Friday at a tense state funeral for the five Turkish victims of a rights arson attack in Germany.

About 1,000 people attended the ceremony, and a few hundred demonstrators chanted anti-Nazi slogans and carried banners. The protesters also burned two Nazi flags.

The German foreign minister, Klaus Kinkel, who headed a delegation from Bonn, addressed the crowd while protesters echoed in the background. He said Germans would never forgive those responsible for the attack, which he described as "shameful violence."

The Turkish president, Suleyman Demirel, speaking at the ceremony, called for calm and said Germans should not be held responsible for the attack.

Mr. Kinkel assured the crowd that the German government would do its utmost to protect foreigners.

The five victims, killed in the attack May 29 in the West German city of Solingen, will be buried in Merzheim, a village about 10 kilometers (6 miles) from Tasova.

CAMBODIA: A Royal Division

Continued from Page 1

United National Front for an Independent, Neutral, Peaceful and Cooperative Cambodia and known by its French acronym, *Functipac* — said they were especially disturbed by the power-sharing arrangements devised by Prince Sihanouk, which would have given Prince Ranariddh and Mr. Hun Sen the same job in the coalition — deputy prime minister — and equivalent powers.

"Some people do not understand why Hun Sen, who was rejected by the people in the election, is associated with Prince Ranariddh on an equal footing," said Sam Rainsy, a senior *Functipac* official.

There had long been rumblings suggesting serious divisions between father and son, but it was not until Friday that solid evidence of discord emerged on the public record. Neither Prince Sihanouk nor Prince Ranariddh was seen in public on Friday, although their letters to each other surfaced in Phnom Penh.

Prince Sihanouk was apparently so angered by his son's refusal that he canceled a meeting of the Supreme National Council set for Saturday. The council, formed as part of the peace process, includes representatives from the Hun Sen government and Cambodia's three rebel factions.

Prince Ranariddh was reported Friday to be in Thailand. In a letter to his father released by the royal party, the prince told his "very venerated papa" that he could not join the coalition government, at least not the one proposed by Prince Sihanouk.

Although saying he accepted the concept of "national reconciliation," he said it would be impossible to work with "killers" in Mr. Hun Sen's political party who were responsible for the assassination of several royalist party members during the election campaign.

He said, too, that he could not work with his estranged half-brother, Prince Norodom Chakrapong, who is a deputy prime minister in Mr. Hun Sen's government and a central organizer in the Cambodian People's Party.

Prince Chakrapong runs Cambodia's civil aviation authority and has been accused by the royalists of using his official powers to prevent aircraft chartered by the opposition party from landing at Cambodian airports.

He has denied any abuse of his authority.

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ART

A Blockbuster Of American Art in Berlin

By David Galloway

BERLIN — The current vogue for dinosaurs is not alone of Steven Spielberg's making. For at least two decades, the art world has nurtured its own brontosaurus brood in the form of clumsily overfed exhibitions that are ballyhooed like a carnival sideshow.

And no one has done more for the spirit of gigantism than the Berlin-based Christos Joachimides and Norman Rosenthal, exhibitions secretary at London's Royal Academy of Arts.

The team debuted in 1981 with a controversial look at "A New Spirit in Painting" at the Royal Academy, then followed up with "Zeitgeist in Berlin" (1982) and the ill-conceived "Metropolis" (1991). Their latest collaboration, "American Art in the 20th Century," is the fourth in a series of shows that have explored modern German, British and Italian art.

With a budget of \$3.5 million Deutsche marks (about \$3.4 million), it is also the costliest of these spectacles. The curators have assembled 250 works by 61 artists for what is indisputably the biggest, brash, most comprehensive anthology of American art ever viewed outside the United States.

Chronologically, the show's starting point is the year 1913, when New York's famous Armory Show scandalized viewers with Duchamp's "Nude Descending a Staircase." Less spectacular but no less prophetic of things to come were the works of such young Americans as Stuart Davis, Marsden Hartley and Joseph Stella, who were influenced by the revolutionary spirit of European modernism but already seeking to lend it an American accent.

The greatest service of the Berlin survey is to provide such pioneers with an adequate forum. Among them is Frank Covert, whose geometric abstractions made him a leading figure of the New York avant-garde, but who was so discouraged by the reception of experimental tendencies in his native land that he abandoned painting entirely in 1923.

It is not such exotic outsiders, however, who are likely to refocus European attitudes toward the American aesthetic. The "Precisionist" experiments of Charles Demuth and the shimmering pho-

to-realism of Charles Sheeler still seem precociously ahead of their time, while the canvases of Stuart Davis and Gerald Murphy plainly anticipate the Pop Art movement that would take shape a half century later.

Such distinctly urban visions, including Joseph Stella's electrifying studies of the Brooklyn Bridge and Andy Warhol's consumer icons, are contrasted with an impulse toward the "abstract sublime," as seen in the works of Mark Rothko, Agnes Martin and the inspired poet of light, Richard Turrell.

As didactic poles, but also as postures that lend the Berlin show a theatrical flair, the figurative-abstract dichotomy works well enough. Yet it offers a misleadingly tidy view of the past, tailor-made to European notions of the art of our century. These automatically exclude the regionalism of Thomas Hart Benton, Grant Wood and John Steuart Curry.

The omissions and distortions are not a matter of chance. Unlike the previous surveys of English, German and Italian art, which relied on the savvy of home-grown curators, "American Art in the 20th Century" was shaped entirely by Joachimides and Rosenthal, from what they describe as "a European point of view."

Furthermore, they place particular stress on the period from 1945 to 1970, "when American art was the driving force behind many, if not most, developments in art throughout the world."

FLATTERING as it may be to American sensibilities, the resulting impression is that of the Coca-Cola-ization of the arts. Furthermore, works of this period are widely known and exhibited in Europe. And it was, after all, German industrialists like Peter Ludwig who assembled authoritative collections of postwar American art at a time when museums and collectors in the United States were practicing wait-and-see strategies.

The real strength of the Berlin show is in the presentation of those pioneers who sought to master the lessons of European modernism without surrendering their American identities. Yet even here, a seminal figure is excluded, though Alfred Stieglitz is referred to in nearly half the 25 essays in the exhibition



Marsden Hartley's "Portrait of a German Officer," above, "Split Head" by Jonathan Borofsky.



catalogue—as a courageous galleryist, founder-editor of Camera Work and patron of such figures as Georgia O'Keeffe and Marsden Hartley. Stieglitz's own seminal work as a photographer might have rounded out the homage, had the

curators not chosen to ignore photography almost entirely. Only Man Ray and Cindy Sherman are allowed to show a camera-eye vision of the world. Sherman, who offers pointed commentaries on clichéd female roles, also helps carry the modest banner of the woman artist. Of 61 artists on view in Berlin, all but six are men.

If a single figure dominates the Berlin extravaganza, it is the big bear of American painting, Jackson Pollock, and the chance to view his legendary "Mural" of 1943, flexing in width to 20 feet (6.1 meters) of painterly muscle, is worth a visit to Berlin's Martin Gropius Bau. The painting would have made a fine centerpiece for a discriminating, comprehensive view of American art since 1913, with all its euphoria, contradictions, diversity, dead-ends and strivings. In its place, Joachimides and Rosenthal have offered a somewhat lopsided "history of innovations," a Top of the Pops view of a century of achievement.

"American Art in the 20th Century" is at Berlin's Martin Gropius Bau through July 25, then at London's Royal Academy Sept. 17-Dec. 12.

Antonio López's Battle for Realists

By Alan Riding
New York Times Service

MADRID — Were it not for Antonio López's reclusive nature, his last-minute cancellation of a retrospective of his works here in September 1992 might have been seen as a publicity stunt. Indeed, now that the exhibition has finally opened, the contrtemps is helping draw crowds to the Reina Sofia art center.

But this 57-year-old Spanish artist's reluctant gesture was, in fact, his way of protesting that Madrid's new museum of modern and contemporary art, which only days earlier had inaugurated its permanent collection, had chosen not to display the works of any member of his generation of Spanish realists.

In a letter to the museum's director, María de Corral, López apologized, but added that under the circumstances, it was simply not possible for him to show "the work of a lifetime" in the Reina Sofia.

"There is a point beyond which it would be undignified and cowardly to remain silent," he wrote. The museum's response was understandably chilly, noting that 20 months and \$200,000 had already been spent preparing the exhibition, which was to open on Oct. 27, 1992. In private, though, de Corral and Spain's culture minister, Jordi Solé Tura, sat about appeasing the artist. Six months behind schedule, the retrospective will be on view through July 19.

López, though, appears to have made his point. Budget permitting, de Corral has said, a room dedicated to Spanish realism will open in the Reina Sofia in 1994.

López's works — paintings, drawings and sculptures — have always been enormously popular here, with his panoramic vistas of Madrid widely reproduced as post-



The reclusive López with one of his sculptures.

ers. Further, Spanish critics have now acclaimed the retrospective, with the inauguration itself given front-page coverage in national newspapers as Madrid's cultural event of the season.

Yet in practice, abstract artists like Antoni Tàpies, Eduardo Chillida and Antonio Saura have long been regarded by Spain's art elite as more innovative and important. And even though López has portrayed Madrid more often than any of his contemporaries, this is his first individual exhibition in the Spanish capital since 1961.

"I am sorry for the delay, but I do not regret what I did," he said at a news conference before the open-

ing. He then tried to explain his style of realism. "Reality is the food for all human experience," he said. "The line between reality and unreality cannot be defined. Man sees reality through his desires and fears, and this enables him to go beyond reality."

Certainly, to his admirers, it is López's ability to add a dimension to reality — sometimes mysterious, sometimes desolate, often solitary — that gives his works their special quality. He captures reality, they say, yet somehow time is suspended, with the moment of reality prolonged so that its subjects live on.

His reality is also his very personal world: his native town of Tomelloso in La Mancha province, his parents and relatives, his daughter, his studio, his bathroom, the narrow view from his window, the streets and buildings of Madrid he knows best, all seen, as he puts it, through what he feels.

Those who think that Antonio López's art aspires merely to photographic perfection and fidelity will have to rectify their opinion. Juan Bofill, the art critic of La Vanguardia of Barcelona, wrote after seeing this show. "His works are full of anti-hyperrealist surprises and contain as much courage and creativity as the best avant-garde art."

The retrospective comprises 91 paintings, 60 drawings and 21 sculptures and reliefs, which account for two-thirds of his entire oeuvre, a reflection of the slow and meticulous way in which he works. One painting, "Dinner," is dated 1971-80. His life-size wooden sculptures, "Man" and "Woman," are dated 1968-90.

Organized chronologically, the exhibition shows López's early naturalist period through 1957, followed by his brief flirtation with Surrealism and then, from the 1960s, his full embrace of realism. His first panorama of Madrid, showing a vast expanse of brown wasteland with the city in the middle distance, dates from 1962-63.

In subsequent years, López did a dozen other large paintings of Madrid, including two of the Gran Vía, the avenue that cuts through the heart of the city. Typically, these two are realistic yet unreal: They show the busy thoroughfare without cars or people.

In recent years, the artist has taken to painting flowers, yet many critics consider his stark pencil drawings to be among his finest works, above all those done in the 1970s in and around his studio and the family home in Tomelloso that seem to echo the solitude that has distinguished much of his life.

The Collector's Eye of Norton Simon

By Christopher Knight
Los Angeles Times Service

PASADENA, California — Jean-Antoine Watteau's "Reclining Nude" (circa 1713-1721) is a tiny painting, just over six inches wide and five high (15 by 12.5 centimeters), but it's the one I most look forward to seeing whenever I visit the Norton Simon Museum in Pasadena, Simon, who died Wednesday at 86, collected greater works — lots of them, in fact, since his collection ranks as the most extraordinary in the United States west of Chicago. But the Watteau has a special charm.

In fact, the amazing company it keeps only adds to its attraction. Staggering Northern Renaissance pictures by Dieric Bouts, Hans Memling, Gerard David, Lucas Cranach and others claim a particular distinction, so difficult is it to acquire such an august assembly: Raphael, Ja-

copo Bassano, Francisco Zurbarán, Edgar Degas, Paolo Veneziano, Pietro Lorenzetti, Filippo Lippi, Rembrandt, Manet, Van Gogh.

Spectacularly good paintings by them all. There are wonderful 20th-century pictures, too, by Henri Rousseau, Ernst Ludwig Kirchner, Picasso, Linbo Popova and others — not to mention exceptional sculptures by Brancusi. With some 12,000 works in the collection, including an outstanding array of Indian and Southeast Asian sculpture, it's impossible to list even a representative sample.

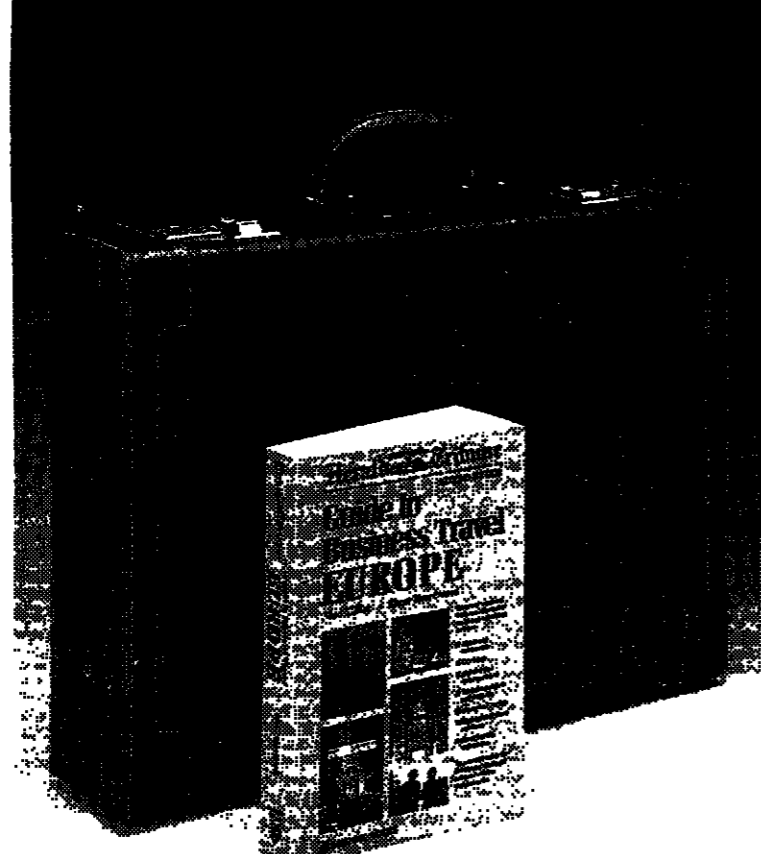
Norton Simon began to collect art only in the mid-1950s, and within a dozen years he had become the single most important American collector of our time.

The Simon Museum is expected to remain in Pasadena — although Simon did have discussions with the J. Paul Getty Trust concerning a possible merger. Speculation on that front was fueled in the 1980s, when the Simon and Getty

museums jointly acquired Nicolas Poussin's classically austere "Holy Family With the Infant St. John the Baptist and St. Elizabeth" and Degas' grave and poignant pastel "Waiting."

Of course, Simon had counted many suitors over the years. He fended with the Los Angeles County Museum of Art, where his holdings had been on loan, forming the nucleus of an anticipated collection for the young museum — but he abruptly pulled out. He later dangled part of the collection before the then-mayor of San Francisco, Dianne Feinstein; it, too, came to naught.

Simon could be cantankerous and manipulative. His bargain-basement offer to rescue the financially bankrupt Pasadena Museum of Modern Art, which he immediately stacked with a hand-picked board of obliging trustees and turned into a repository for his own collection, was often likened to a corporate takeover. The museum's contemporary art largely disappeared into the basement.



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"Astrological Man," a drawing by Francesco di Giorgio.

Siena Celebrates A Man of All Arts

By Roderick Conway Morris

SIENA — Architect, military engineer, designer, sculptor, painter, hydraulic and ballistics expert — Siena-born Francesco di Giorgio Martini (1439-1501) was one of the most complete, and yet still one of the most elusive, examples of Renaissance Man.

Two years ago Professor Paolo Galuzzi and his team staged an exhibition in Siena, "Before Leonardo," a brilliant exposition of Renaissance engineering, which prominently featured Francesco di Giorgio — and strikingly demonstrated Leonardo's enormous debt to him. A pair of further shows, both open till July 31, now aim to complete the picture of this remarkable, multifaceted man: "Francesco di Giorgio: Architect" (in the vaulted brick Sala Magazines of the Palazzo Pubblico), and "Francesco di Giorgio and the Renaissance in Siena 1450-1500" (in the church of Sant'Agostino).

Although Francesco was to spend half his life working away from his birthplace, his Siennese background emerges from these exhibitions, more strongly than ever, as the cornerstone of his career. Siena's spectacular hilltop position made it a natural citadel, but posed major problems for the maintenance of a reliable water supply — which became ever more acute as the city grew. The Siennese found the solution in an intricate, finely balanced system of subterranean passages — called *botini* — the construction and regulation of which provided constant mathematical, mining, construction and hydraulic challenges for the city's artist-engineers.

In 1469 Francesco di Giorgio was appointed to improve the network and increase the supply to the central fountain by one third in three years. His success in this daunting task and his already burgeoning reputation in other artistic and engineering fields made him a hot property.

"Francesco di Giorgio was an ideas man," said Howard Burns, Harvard professor and one of the exhibitions' contributors. "He worked on so many projects that he couldn't possibly do them all himself. Very often he'd have just to do the designs and get others to execute them."

Vassar, who has been studying Francesco as a military architect. Francesco di Giorgio was also the inventor of the use of mining in warfare. In Naples in 1495, drawing no doubt, on his experience of Siena's underground aqueducts, he burrowed under the walls of the Castel Nuovo — which he himself had only recently remodeled to make it proof against cannon fire — and exploded a massive mine to eject the French troops that had seized it.

Long recognized as one of the supreme sculptors and draftsmen of the 15th century, Francesco di Giorgio's work as a painter, on the basis of the pictures previously attributed to him, has seemed inexplicably inferior. The reason, said Professor Luciano Belloni, the organizer of the Sant'Agostino exhibition, is that "with the exception of some very early pictures, Francesco di Giorgio limited his role to the initial drawing, leaving the final painting to an assistant."

By bringing together these early works, and exhibiting them at Sant'Agostino, alongside a lost fresco by Francesco uncovered there in 1977, Belloni offers a startlingly fresh vision of how good these "authentic" works are.

Roderick Conway Morris lives in Italy and writes for *The Spectator* and other publications.

Father to Son to the Public: The Pierpont Morgan Legacy

NEW YORK — In an island of peace-off Madison Avenue, far from the world of hype and flashiness, an extraordinary exhibition of medieval manuscripts can be seen at the Pierpont Morgan Library until Aug. 15. "A Great Legacy: Morgan Collections, 1913-1943" celebrates the life-

SOUREN MELIKIAN

known but breathtaking collecting endeavor of a famous financier's son, John Pierpont Morgan.

A feeling for books seems to have run deep in the banking dynasty. The father began to collect autograph manuscripts as a boy, we are told in the fascinating account that accompanies the show, "In August Company: The Collections of the Pierpont Morgan Library." Once an adult, he went after such major pieces as Keats's "Endymion" and the only surviving section of Milton's "Paradise Lost" transcribed by five scribes from the blind poet's dictation.

But on the whole, the father had the tycoon's rapacious instinct. He went for wholesale deals. In 1902, he bought in a single swoop Richard Bannet's 700 volumes including more than 100 illuminated manuscripts that form the core of the library's most precious medieval and Renaissance holdings. His approach was a curious mix of spontaneous response to beauty and deft calculation for expert approval, possibly influenced by his awareness that he was carrying out a public duty.

While leaving virtually everything, including his art collections, to his son, he expressed the hope in his will that the latter "would render them permanently available for instruction and the pleasure of the American people."

The son resembled his father in this one respect. While selling some of his father's art to settle death duties, he gave thousands of works to the Metropolitan Museum of Art, including among other gems, Raphael's "Colonna Marzocchino." But the library he kept in his entirety, and three years after his father's death in 1913, he started making major additions.

Jack Morgan, as he was called in his private circle to distinguish him from his father, was quite another kind of collector. As reserved as his father was outgoing, endowed with a thorough literary grounding that extended to Greek and Roman classics, he was much influenced by the 12 years he had spent in London, from 1893 to 1905. He stalked books as others did game.

In 1916, he made a sensational coup in what was virtually his first buy. The volume of 86 miniatures depicting Old Testament scenes executed in a Paris atelier around 1240 remains to this day an enigma. Remarkably, no text originally accompanied the images, handled in a monumental style. The figures stand on a single plane, almost filling the space, as in murals of the time. Some scholars have even attributed stained-glass window and mural designs in the Sainte-Chapelle to the manuscript artists — six or seven hands can be differentiated.

Most surprising is the rendition of the scenes dealing with the battles fought by the conquering Hebrews in the Holy Land. They are dressed up as French knights and

kings, which has suggested to some art historians an intentional parallel with the French attempts at conquering Palestine.

The fate of this unique work is as surprising as its inception. Around 1300, it was in Naples, where Latin captions in gold lettering identifying the episodes were supplied. By the early 17th century, it was owned by the bishop of Kraków, Bernard Maciejowski, and in 1608 it was brought to Esfahan by the mission sent to Iran by Pope Clement VIII. Maciejowski offered the volume to Shah Abbas. Persian translations of the captions were then calligraphed in a nasta'liq script. Later in the century, the volume must have been presented to a member of the large Jewish



The front cover of the "Berthold Sacramentary," 13th century.

community of Esfahan who had the Persian captions transcribed in Judeo-Persian, i.e. Persian written in Hebrew characters. It is not known how the book came into the hands of the greatest manuscript collector of all times, Sir Thomas Phillips, whose heirs sold it to Morgan.

Morgan's next coup, in 1919, equaled this one for its importance to cultural history. Beatus de Liébana's "Commentary on the Apocalypse" illuminated in the mid-10th century in the province of León is the most famous book from Christian Spain in the Middle Ages. In the show, it is open at the page illustrating "The Vision of the Heavenly Jerusalem." In the middle of a courtyard done like a red and yellow chessboard, the Agnus Dei (Holy Lamb) stands between an angel and the author John holding up his own book. All around, the Twelve Apostles stand under Moorish style horseshoe arches opening fortified walls with crenellations reminiscent of the Great Mosque in Cordoba. The primitive style of the figures has a curious Coptic touch to it.

That same year, Morgan confirmed his extraordinary eclecticism in acquiring a masterpiece of Byzantine art that stands at the other end of the aesthetic spectrum. The Gospel Lectionary copied in the second half of the 11th century was probably illuminated in the capital, Constantinople. The color scheme and composition of the five large miniatures are suggestive of monumental decoration. The volume is open to

show Saint Matthew seated on a stool. Other pages, such as the folio painted with Saint Mark seen in a rounded filling a richly decorated square frame, have the glitter and crispness of mosaic work.

In his lucky years, Morgan made small serial coups — by that time he was already determined to set up the library as a public museum. In 1926, he acquired from the Earl of Leicester four manuscripts that remained for centuries in the German Weingarten Abbey before they entered Holkham Hall.

The Gospel Book commissioned by Judith of Flanders while in England between 1051 and 1064, is considered one of the most important manuscripts of the Anglo-Saxon school. The almost mannerist touch to its linear style belies the widely held belief that sophistication only descended upon the Anglo-Saxon yuleks with the arrival of the Franchified Normans after Harold was defeated at Hastings in 1066 by William the Conqueror.

For sheer beauty, the most remarkable of the 1926 acquisitions from Holkham Hall is probably the "Berthold Sacramentary," thus called after the abbot who commissioned it in the early 13th century. Acknowledged by many as the finest illuminated German manuscript in the early years of the century, it is nevertheless shown closed. This is in order to display its true masterpiece, the binding with ivory plaques carved in high relief. In the central panel, the Virgin enthroned holds the infant Jesus. Her intense stare has a hypnotic quality made more unreal by the huge metal filigree crown she wears. A disproportionately big honey-colored stone inset adds to the strange appearance. The Virgin is surrounded by the Evangelists, saints, and archangels, also in high relief. It all gives the binding the monumentality of a cathedral facade.

WITH admirable versatility, Morgan was capable of making comparable coups concerning manuscripts from later periods. A book of hours with miniatures probably painted in Tours around 1515 by the great Jean Bourdichon comes close to the painter's best-known work, the Hours of Anne de Bretagne. Nor did Morgan, the book connoisseur, chose to ignore folios torn from manuscripts, then discarded by bibliophiles as weeds from destroyed manuscripts. A "Virgin and Child" amidst saints, perhaps from a breviary, is almost certainly the work of Gerard David, the towering figure of Flemish painting in Bruges — the only cause for hesitation lies in the lack of evidence regarding David's involvement with manuscript illumination.

In case after case, the visitor is treated to a medieval art show of uniform splendor in a display of understated elegance. No concession is made to pseudo-advanced museological gimmickry, nor to the pretentious art-historical jargon so often seen these days as a badge of enlightenment. As one wanders off into the permanent display, past world-famous works — the Slavov triptych, one of the ultimate achievements of Mosan champlevé enamel in the 12th century, appears at the end of a corridor — one can but marvel at this gem of a museum that retains the feel of what it was decades ago, a patrician residence, American-style.



"Virgin and Child," top, attributed to Gerard David, and Beatus de Liébana's "Commentary on the Apocalypse."



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The Solingen Tragedy

Only days after the Bonn parliament yielded to pressure from the right by scrapping Germany's liberal asylum laws, extremists stepped up their campaign against foreigners. Five Turkish women and children died in a firebombing ascribed to neo-Nazi skinheads.

he or she renounces Turkish nationality. As a result, only 13,000 Turks met citizenship requirements between 1977 and 1990. The simplest relief would be to permit dual citizenship, as other countries do.

Only One War at a Time

For more than 40 years the armed forces bolstered their drive for new weaponry and bigger budgets with the argument that America must be prepared to fight two wars in distant parts of the world at once.

cies in training, transporting and sustaining forces in the field: "A short-warning war in Southwest Asia or two regional contingencies occurring sequentially or concurrently would produce the greatest shortcomings [with] potentially grave consequences."

To Keep Them in the Air

One of the tallest orders issued by the Clinton administration is contained right in the name of the Commission to Ensure a Strong and Competitive Airline Industry.

"back to the old days of regulation." The accent instead should be on how to meet the challenge to U.S. airlines in the international marketplace, where routes and numbers of flights are controlled by individual governments with treaties that need renegotiating.

Other Comment

Milosevic Unrestrained

The ouster of Dobrica Cosic as president of federal Yugoslavia abolishes a year-long effort to end Serbia's isolation. Whether it was window-dressing or real moderation, he was supposed to bridge the chasm between Serbia and a disapproving West.

is even more extremist than he is. Any real force for moderation is in the streets of Belgrade, where democracy demonstrators protested the ouster.

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As Bosnia Burns, More Bluster, Impotence and Vanity

By Sadruddin Aga Khan

GENEVA — Five smiling foreign ministers faced the world's cameras on May 22 and claimed that the "Russian" plan for Bosnia promised a process that would lead to a just peace. Yet recent days have seen some of the fiercest fighting of the war. So much for Balkan promises.

some aerial protection but still no such security for civilians. And there is certainly no process, political or military, to recover Bosnian civilians' lost homes, not even on the betrayal terms contemplated by the Vance-Owen plan — which has now been torpedoed by the very Serbs it so abjectly appeased. Meanwhile, Europe is largely closing its door to refugees. So Bosnians are stranded in a diplomatic no-man's-land.



counterpart European experience, have left us with timid civilian leaders deeply afraid of any protracted involvement or risk to military life. They have allowed generals to set rules of involvement which now enmesh engagement only where national interest permits the deployment of overwhelming military force, as in Kuwait, or where the risks are negligible, as in Somalia.

Battling Boris Is Showing He Doesn't Need a Crisis to Do His Best

By Jim Hoagland

WASHINGTON — Bloodied and in retreat six months ago, Boris Yeltsin has his hard-line opponents on the run in Moscow. The description once applied to Churchill fits the Russian leader as well: Magnificent at war, hopeless in peace.

away from the Brezhnevite Congress of People's Deputies that wants to slow down or abandon reform. He aims for a blend of American federalism and the French system of a strong, centralized presidency.

future," the Canadian prime minister said. "But when I saw him a couple of days after the April 25 referendum, he was expansive and gregarious... and very much in command."

party" since he expects to preside over coalition governments, Mr. Mulrooney said, sounding skeptical over the prospects of Mr. Yeltsin being able to stay above the battle and still enact a difficult political program.

When China Becomes a Rich Nation

By Philip Bowring

HONG KONG — It may seem academic whether China has a gross domestic product of \$450 billion, the figure produced by traditional measurements used by the World Bank, or \$1.7 trillion, as suggested by new estimates from the International Monetary Fund.

almost half of the Asian bank's loans; Indonesia, also gaining from the new measurement, receives 25 percent. But the U.S. commitment to helping China's march from socialism is waning for reasons of strategy and trade balance.

seeking a capital increase of some \$25 billion, of which America's portion, if it wishes to maintain its shareholding, would be \$3.9 billion.

In France, a Minimum of Immigration

Excerpts from replies by Charles Pasqua, the French interior minister, in an interview published by the Paris newspaper Le Monde (June 2):

FOREIGNERS who have entered legally have the right to live and work in France under the shelter of the laws. But the only way to enable them to live in tranquility is to fight clandestine immigration and its consequences. The foreigners want that just as Frenchmen do.

Make Terrorist Sponsors (Libya First) Pay a Price

By A. M. Rosenthal

NEW YORK — For a while, many Americans asked themselves a sensible and healthy question every time they walked aboard a passenger plane — is this another Pan Am 103? The question was sensible because terrorists can do again what they did Dec. 21, 1988 — bring down a planeload carrying hundreds of people. And it was healthy, because as long as Americans asked it, there was a chance that terrorism could be stopped permanently.

The powers that be, or were, refuse to order the total oil embargo that might wipe the smirk off the colonel's face. Nothing surprising about that; the West usually finds a political or economic reason to stop pursuing terrorists. But three things happened in the past few days that made it a little harder to forget Pan Am 103.

nations that gave them the ladders. In 1986 President Ronald Reagan stopped Colonel Gadhafi's terrorist adventures for a couple of years until he bombed Libya as payment for the terrorist bombing of a Berlin bar used by American servicemen.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: An Exciting Time

PARIS — M. Pezon, fit, the animal trainer, has latterly been having an exciting time. Besides having been reported to have committed suicide in a romantic manner, he has been attacked by a lion and has also had to help one of his confreres in a similar delicate position.

1943: A Fake Is Arrested

NEW YORK — [From our New York edition:] NEW YORK — Renée Greenspan, easily the most imaginative and successful of the current crop of Navy officer impersonators, was arrested yesterday (June 4) by agents of the Federal Bureau of Investigation, who thereby brought to a close his brief but profitable career as a mythical lieutenant commander.

1918: American Guns

WITH THE FIGHTING ARMIES American machine-gunners made their presence felt at several points in the big battle yesterday (June 3) and today when the admiration of their allied comrades, Venyuli, near the forest of Villers-Gotterets, was the scene

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Region	Approx. Weighting	Close	Prev.	% Chg.
Asia/Pacific	25%	119.89	120.98	-0.9%
Europe	40%	96.72	98.10	-1.4%
N. America	35%	85.02	85.51	-0.6%

Industrial Sectors	Pct. Chg.	Prev. Chg.	% Chg.
Energy	101.91	102.72	-0.7%
Utilities	103.04	111.20	-1.9%
Finance	109.88	110.97	-1.1%
Services	111.89	114.07	-1.9%
Capital Goods	101.70	102.92	-1.1%
Raw Materials	102.78	103.93	-1.1%
Consumer Goods	87.73	88.56	-1.4%
Miscellaneous	103.88	105.19	-1.4%

GATT Set To Tackle Steel Row With U.S.

GENEVA — The world trade body, GATT, set up a dispute panel Friday to rule on a complaint by the European Community that protective U.S. steel duties are unfair, a GATT spokesman said.

The dispute is part of a wider international outcry over U.S. anti-dumping and countervailing duties, which its trading partners charge have virtually closed off the U.S. market to imports.

The European Community protested against countervailing duties imposed by the U.S. Commerce Department in January on hot-rolled lead and bismuth carbon steel products from Britain, France and Germany.

As a result, the GATT dispute committee established a panel to examine the EC complaint, said the spokesman for the 111-nation body, the General Agreement on Tariffs and Trade.

Washington justified its retaliatory moves by accusing the three EC member states of paying what it alleged to be high subsidies to their steel producers, making their exports more attractive.

But the Community charged Friday that the U.S. duties violated GATT's rules by exceeding the actual amount of subsidies.

Six countries, including Brazil, Canada and Japan, supported the Community and reserved their rights to submit data to the panel, which has 60 days to report.

The Community called the special one-day session of the GATT Committee on Subsidies and Countervailing Measures, a watchdog body that oversees compliance with the GATT's 1980 subsidies code.

The EC Commission argued that Washington had used "arbitrarily chosen benchmarks" to make "excessively inflated" estimates of alleged subsidies, sources close to the talks said.

Bilateral consultations aimed at resolving the dispute failed in February and March, as did conciliation efforts by the GATT subsidies committee in April.

Airlines Let Off Steam Washington Gets Earful of Complaints

By Warren Brown
Washington Post Service

WASHINGTON — When airline industry leaders checked in for an eight-hour therapy session at the Department of Commerce, they were more than ready to unload themselves before a 15-member commission studying the problems of their business.

The industry has lost \$10 billion since 1990 and seems well on its way toward losing more. But industry leaders left the session this week hoping that the commission, appointed by Congress and the White House, would at least understand their complaints about governmental inconsistencies they say are making matters worse.

Take taxes, for example.

Every domestic airline official who spoke said the industry is weighed down by taxes and fees that are difficult to pass on to the consumer. But the government's response has been to increase taxes, rather than reduce them, said Michael J. Conway, president and chief executive of America West Airlines.

Tax-related fare adjustments are costing the industry \$1 billion a year, said Ronald Allen, chairman, president and chief executive of Delta Airlines.

The officials urged the commission to recommend the excise tax be returned to 8 percent from 10 percent, where it was set in 1990.

Some expressed little faith such a rollback would occur in an administration that is calling for more tax increases, including one on energy.

"It's crazy," said D. Scott Yohke, a lobbyist for Delta. "The commission wants to know what it can do to help us while the administration that is trying to 'help' us is thinking about putting on another tax that can cost us another \$1 billion. What are we talking about?"

The commission heard other industry concerns, including the possibility of deregulating a business that was deregulated in 1978.

Generally, the 14 domestic airline officials who appeared before the panel Thursday opposed bringing back federal rules that virtually dictated market share by regulating routes.

But the Association of Flight Attendants, representing 33,000 members at 20 airlines, contends that deregulation led to brutal battles for routes that eliminated four airlines, threw three others into bankruptcy, and wiped out 15,000 flight attendant jobs in the process. Association officials said even more jobs would be lost if the commission supports domestic operations by foreign carriers.

Federal law prohibits foreign carriers from conducting domestic flights within U.S. borders. But officials of Northwest and USAir, whose airlines have foreign partners, said doing away with that law could improve business. According to Northwest's senior vice president, Richard B. Hirst, it also would "maximize consumer welfare over the long run."

"Nonsense," said Robert L. Crandall, president of American Airlines. "The U.S. market is vastly larger than any other airline market." As a result, he said, there is no way foreign governments can reciprocate by giving American carriers domestic air-travel rights in their countries.

"There is no 'airline industry,'" Mr. Crandall said. "There are only individual carriers pursuing their own self-interests."

U.S. Jobless Rate Drops to 6.9%, Dollar Takes Off

By Robert D. Hershey Jr.
New York Times Service

WASHINGTON — In a surprisingly upbeat economic report, government figures showed Friday that job growth picked up sharply in May as the unemployment rate edged down to 6.9 percent.

It was the first time the jobless rate stood below 7 percent since late 1991.

The number of nonfarm jobs grew by 209,000 in May, adding to a revised gain of 216,000 in April, the Labor Department reported based on a survey of employers. The unemployment rate is derived from a survey of households.

Analysis found much to cheer in the Labor Department data, which seemed to portray an economy finally shifting into a higher gear after two years of generally weak recovery, particularly in jobs.

Prices in the credit markets slumped on the news, pushing up interest rates and fueling speculation about possible monetary tightening by the Federal Reserve if upcoming reports on inflation are not better than those for April.

The dollar soared, meanwhile, finishing sharply higher in New York, especially against the Deutsche mark.

The Clinton administration reacted cautiously to the reports, welcoming the job growth but aware that a sustained upsurge in the economy could undercut an effort to revive a scaled-down version of the stimulus package that failed to win passage in Congress.

In addition, higher interest rates might complicate prospects for the president's budget, which contains tax increases and spending cuts that also tend to restrain the economy and that in the longer run relies on low rates to help gear government financing costs in check.

"We are encouraged," Labor Secretary Robert B. Reich said of jobs report, noting that payroll employment has now climbed by more than 200,000 for two straight months. It is the first time this has occurred in over three years.

At the same time, however, he added, "We must remain cautious

Bentsen Limits Aid To Russia

MOSCOW — U.S. Treasury Secretary Lloyd Bentsen expressed concern on Friday that Russian inflation was still too high and warned that Washington's rich allies had budget problems allowing little room for more aid to Moscow.

Winding up his visit to the Russian capital, Mr. Bentsen praised President Boris Yeltsin's reforms and offered full U.S. support but made clear that Western aid would not be without strings.

"I'm concerned about prices continuing to rise too quickly," he said at a news conference. "Inflation must be stopped. The economy has to be stabilized. Privatization must be completed and structural reforms take place."

Inflation was 669 percent in the year to April and the budget deficit topped 20 percent of gross national product amid

See JOBS, Page 10

Japan Says No to More Priming

Compiled by Our Staff From Dispatches

TOKYO — Finance Minister Yoshio Hayashi ruled out additional stimulus measures on Friday despite growing demands for further efforts to prime the economy and cut the country's huge trade surplus.

"I don't think it is needed at this moment," Mr. Hayashi said.

But the Kyodo news agency reported that Japan would adopt a five-year program to recycle \$120 billion of its trade surplus to developing countries starting this year.

Kyodo quoted a government source as saying that the program, to be approved by a cabinet meeting set for June 25, would be about twice the size of a similar one between 1987 and 1992.

The size of the latest program reflects Tokyo's intention to put its snowballing trade surplus to good use and show a positive attitude toward helping developing nations, the source said.

Japan will be the host in July of a summit meeting of the Group of Seven industrial nations.

Mr. Hayashi's remarks came two days after the U.S. Treasury secretary, Lloyd Bentsen, urged Japan to do more to cut its trade surplus.

"These surpluses are a global problem," Mr. Bentsen said in Paris at a ministerial meeting of the 24-nation Organization for Economic Cooperation and Development. "They are hurting world growth."

Mr. Bentsen said that while Japan's recent fiscal stimulus package had been useful, it needed to

Japan Says No to More Priming

"be sustained next year so there is no slippage."

The Japanese government announced a 13.2 trillion yen (\$123 billion) stimulus package in April to bolster the troubled domestic economy.

Mr. Hayashi also told reporters that the Japanese economy, bolstered by that stimulus, was likely to achieve its official target of 3.3 percent growth in the year that ends next March.

"I believe we will be able to reach the target after the supplementary budget passes," he said.

The Japanese parliament is expected to pass this year's budget during its current session, which ends late this month.

The centerpiece of the surplus-see TRADE, Page 11

ECONOMIC SCENE

America, China and Trade: A Sword Cuts Both Ways

By Peter Passell
New York Times Service

NEW YORK — Trapped between his own campaign rhetoric and the advice of both the business- and foreign-policy establishments, President Bill Clinton promised, China, he has announced, would have one more year of open trade with America. The renewal of China's most-favored nation trade status would depend on the Old Guard's willingness to slip gently into the democratic night.

Nancy Pelosi, the California Democrat who has led the congressional push to punish China for Tiansanmen and Tibet, pronounced herself satisfied with Mr. Clinton's "commitment to human rights and democratic freedoms." But it is still difficult to imagine how the president will be able to wield the trade weapon with much effect when the deadline passes. For as the tough old Communists who still rule the roost in China apparently understand, closing down trade would undermine a variety of American interests.

"Clinton has bought time," said Fei Minxin, a professor of politics at Princeton University. "But he has not dug his way out of his China problem." Indeed, the MFN option may prove a liability in dealing with the world's newest candidate for economic superpower status.

Virtually all countries automatically benefit from the lowest tariff rates negotiated by America. But under 1974 legislation, "nonmarket" economies are eligible for so-called most-favored nation status only if the president annually certifies that open trade will advance the cause of human rights.

Congress has 90 days to disapprove of the president's decision. The White House, in turn, has the authority to veto the disapproval, subject to a two-thirds override by both House and Senate.

One limitation on the weapon is that it was designed for the Cold War rather than for an era in which even the bad guys pay lip service to free markets: Nobody is about to use the Jackson-Vanik provision to revoke the MFN status of the tyrants who rule the Syrians, Zairians or Burmese. A less-obvious limitation is that trade is a problematic instrument for advancing human rights.

On first look, revocation of MFN seems a punch that China would not dare absorb. China runs a \$20 billion-plus trade surplus with America, exporting three times as much as it imports. That surplus is what makes it possible for the world's fastest-growing economy to finance its development.

Were MFN revoked, tariffs on China's leading exports to the

Cuba's Move Sends Sugar Prices Up

Compiled by Our Staff From Dispatches

LONDON — World sugar prices surged Friday after news that the leading exporter, Cuba, was unable to make its shipments. But the impact of the move will depend largely on whether Russia enters the market to make up for the canceled deliveries, traders said.

In a telex to its trading partners, Cuba declared its inability to meet contracts due to forces outside its control, called force majeure. It said the action was due to rains that paralyzed movement of a crop already well below last year's.

The declaration gives Cuba a breathing space of 45 days to reorganize its shipments.

But disruption of sugar shipments to Russia could directly hit Cuba's reception of oil imports it desperately needs to keep its recession-hit economy running. The Cuban-Russian deal — 1.5 million tons of raw sugar for between 2 million and 3 million tons of oil — had been coordinated to operate in reciprocal shipments.

White sugar prices rose by about \$9 to about \$285 a metric ton after the Cuban announcement.

As far as sugar prices are concerned, "The main thing is whether Russia will be forced to enter the world market or whether they can hold off and wait the 45 days," said Justin Ganes, an analyst at Merrill Lynch. "If they can, this is really no big deal."

The Cuban sugar crop already had been severely damaged by weather and shortages of fertilizer, herbicides and fuel amid an economic crisis sparked by the demise of its major ally, the Soviet Union.

In May, Alberto Benacourt Roa, director of Cubazucar, the state selling firm, said this year's crop would total about 4.2 million metric tons, about half the size of the previous harvest.

"Now Cubazucar has time to think about what sugar they have left and who they are going to send it to," one trader said.

Cuba received favorable terms in barter with the Soviet Union, which by some estimates valued the sugar at four times the market price. Current trade with Russia, however, is at a price linked to the market. Traders said if Russia were forced to enter the world market, it would help mop up a surplus of Brazilian sugar that has been depressing the market.

(Reuters, Knight-Ridder)

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- Malcolm Mitchell
- Senior Consultant, InterSec

THE PENSION FUND PERSPECTIVE

- Peter Dencik
- Deputy Executive Director, PKA Pension Funds, Copenhagen

THE BOND SESSION

- John Lipsky
- Chief Economist, Salomon Brothers, New York
- Axel-Gunter Benker
- Managing Director, D.W.S., Frankfurt
- Sandra Currie
- Head of Fixed Income, Credit Suisse Asset Management, London
- Patrick Dempsey
- Managing Director, Dempsey & Co. International, London
- Gordon Johns
- Managing Director, Kemper Investment Management, London
- Gary Kreps
- Chief Investment Officer, Global Fixed Income, G.T., San Francisco

THE CURRENCY SESSION

- Irwin Berger
- Director of Trading, Sjo Inc., Chicago
- Howard Flight
- Joint Managing Director, Guinness Flight, London
- Lawrence Hite
- Managing Director and Founding Partner, Mint Investment Management, New Jersey
- Andrew Horrig
- Head of the Strategy and Currency Group, Citibank, London
- Ross Jackson
- Founder & Chief Executive, GaiaCorp, Denmark

THE EQUITY SESSION

- Alan Albert
- Managing Director, Merrill Lynch Asset Management, London
- Nicholas Knight
- Head of Global Equity Strategy, Nomura, London
- Ranjan Pal
- Director and Regional Economist, Jardine Fleming Broking Ltd., Hong Kong
- Henry Thornton
- Investment Director, Credit Lyonnais International Asset Management, Hong Kong
- Audley Twiston Davies
- Managing Director, Latin American Securities, London
- Beat Wittmann
- Head of European Equities, U.B.S. Asset Management, Zurich

The equity session will also be addressed by a major U.S. fund manager.

GERMAN CRISIS: MILESTONE FOR EUROPEAN RECOVERY?

- Norbert Walter
- Chief Economist, Deutsche Bank, Frankfurt

The cocktail reception on the evening of June 9 is being hosted by Merrill Lynch Asset Management U.K.

REGISTRATION INFORMATION: The fee for the conference is £595 plus VAT at 17.5%. This includes lunch on both days, the cocktail reception on June 9 and all conference documentation. Fees are payable in advance and will be refunded less a £75 cancellation charge for any cancellation received in writing on or before June 1, after which time we regret there can be no refund. Substitutions, however, may be made at any time.

REGISTRATION FORM: To register for the conference, please complete the form below and send it to: Brenda Hegarty, International Herald Tribune, 63 Long Acre, London WC2E 6JH, England. Tel: (44 71) 836 4832 Fax: (44 71) 836 0717.

Enclosed is a check for £695.13 (£595 + 17.5% VAT) drawn on a U.K. bank and made payable to the International Herald Tribune Please invoice

5-6-93

Title (Dr. Mr. Mrs. Ms. Miss) _____ First Name _____ HT

Family Name _____

Position _____

Company _____

Address _____

City _____ Country _____

Telephone _____ Fax _____

CONFERENCE LOCATION: Hyatt Carlton Tower, Conference Place, London SW1. Tel: (44 71) 235 5411. Fax: (44 71) 245 6570. To reserve accommodation at a preferential rate, please contact the reservations department at the Hyatt Carlton Tower no later than June 1, notifying the hotel that your booking is in connection with the IHT conference.

Herald Tribune

INTERNATIONAL FUND INVESTMENT

CURRENCY & INTEREST RATES

June 4

Cross Rates	June 4	June 4	June 4	June 4	June 4	June 4	June 4
American \$	1.00	1.00	1.00	1.00	1.00	1.00	1.00
British \$	0.75	0.75	0.75	0.75	0.75	0.75	0.75
French FF	6.55	6.55	6.55	6.55	6.55	6.55	6.55
German DM	1.93	1.93	1.93	1.93	1.93	1.93	1.93
Japanese Yen	148	148	148	148	148	148	148
Swiss Sfr	1.48	1.48	1.48	1.48	1.48	1.48	1.48
Spanish Ptas	166.64	166.64	166.64	166.64	166.64	166.64	166.64
Italian Lira	2036.27	2036.27	2036.27	2036.27	2036.27	2036.27	2036.27
Portuguese Escudo	200.48	200.48	200.48	200.48	200.48	200.48	200.48
Chinese Yuan	8.27	8.27	8.27	8.27	8.27	8.27	8.27
Thai Baht	50.76	50.76	50.76	50.76	50.76	50.76	50.76
Indonesian Rupiah	1336.20	1336.20	1336.20	1336.20	1336.20	1336.20	1336.20
Singapore Dollar	1.36	1.36	1.36	1.36	1.36	1.36	1.36
Malaysian Ringgit	3.46	3.46	3.46	3.46	3.46	3.46	3.46
Philippine Peso	49.68	49.68	49.68	49.68	49.68	49.68	49.68
South African Rand	12.74	12.74	12.74	12.74	12.74	12.74	12.74
Israeli Sheqel	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli Old Sheqel	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (1980)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (1985)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (1990)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (1995)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2000)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2005)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2010)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2015)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2020)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2025)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2030)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2035)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2040)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2045)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2050)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2055)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2060)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2065)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2070)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2075)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2080)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2085)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2090)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2095)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2100)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2105)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2110)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2115)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2120)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2125)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2130)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2135)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2140)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2145)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2150)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2155)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2160)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2165)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2170)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Israeli New Sheqel (2175)	1.80	1.80	1.80	1.80	1.80	1.80	1.80

MARKET DIARY

Interest-Rate Fears Push Stocks Down

Bloomberg Business News NEW YORK — Prices slid on the New York Stock Exchange Friday amid concern that a strong May employment report puts more pressure on the Federal Reserve to raise interest rates.

N.Y. Stocks

trial average ended marginally higher, declining common stocks overwhelmed advanced by almost a 2-to-1 margin. Trading was moderate, with almost 225 million shares changing hands.

"We're looking at a Fed tightening sooner rather than later," said David Shulman, chief investment strategist at Salomon Brothers Inc.

The Dow Jones industrial average ended marginally higher, declining common stocks overwhelmed advanced by almost a 2-to-1 margin.

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JOBS: U.S. Unemployment Drops

Continued from Page 9 was partly offset by a 67,000 gain in Americans doing construction work.

The number of people with service-producing jobs increased by 170,000.

Average weekly hours worked rose last month to 34.8, from 34.4 the previous month, pointing to higher productivity per worker.

Some analysts also expressed concern about a 0.6 percent rise in average hourly earnings last month, while others, citing a small decline in April, contended that wage inflation remains low.

A separate government report Friday found orders to factories fell 0.3 percent in April, the second straight decline, to a seasonally adjusted \$253.5 billion.

Inventories rose for a third straight month, while shipments of finished products fell for the first time since January.

The May unemployment rate, which fell for the first time in four months, was the lowest since November 1991, when it stood at 6.9 percent.

Job gains in April were initially calculated at 119,000. The jobless rate that month was 7.0 percent.

In New York, the so-called 1.6264 DM, after closing at 1.5993 DM on Thursday, it also climbed to 107.725 yen, after 107.23.

The British pound dropped to \$1,509, from \$1,540.

The U.S. unit finished at 1,464, after 1,429, and at 5,875 French francs, after 5,890.

The yield on the 30-year U.S. Treasury bond climbed to 6.90 percent Friday, from 6.86 percent a day earlier.

Mr. Bentsen said there still was no agreement between the United States and the Group of Seven industrial nations on a \$4 billion privatization fund for Russia.

The United States wants the G-7 to contribute \$2 billion to the proposed fund to help private large companies and has offered \$500 million for it.

"The negotiations are still continuing," Mr. Bentsen said, adding that the balance of the \$4 billion would come from the World Bank and the European Bank for Reconstruction and Development.

Mr. Bentsen, welcoming a pact between the central bank and the government to cut monthly inflation from 20 percent now to below 10 percent, warned that privatization and market reforms were under threat from price rises.

Economists expect inflation to accelerate following a recent doubling of gasoline prices and due to cash payments by the government to farmers for the spring sowing campaign.

sector is doing well, as it should. That's why the Dow is holding up better than the broader market."

The May jobs report comes after Fed's policymakers voted in May to stand ready to raise rates during the next six weeks if inflation keeps accelerating.

Through April, consumer prices are running at an annual rate of 4.3 percent.

In the past two years, falling interest rates have unleashed billions of dollars out of bank deposits and into equity mutual funds.

If rates start to head higher, stocks, which are hovering around records, may lose their appeal, traders said.

Treasury bonds tumbled almost 1 point on the jobs report. In late trading, the yield on the benchmark 30-year bond was up five basis points at 6.91 percent.

Reflecting uneasiness over the decline in the bond market, shares of Wells Fargo & Co. dropped 5/8 to 101.

Among other bank stocks losing ground were BankAmerica Corp., down 1/8 to 42 1/2, and NationsBank, down 1/8 to 46 1/4.

Retail stocks were lower for a second session following Thursday's reports of weak May sales from some of the nation's biggest retailers.

Gold stocks gained Friday amid a surge in the price of gold, traditionally bought as a hedge against inflation. Gold for August delivery rose \$2.30 an ounce to \$378.50.

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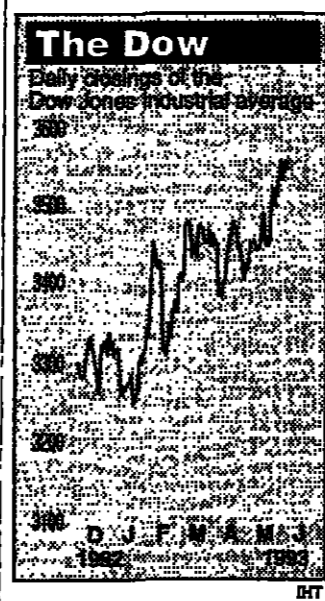


Table with columns: Val, High, Low, Last, Chg. Lists various stock symbols and their performance.

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Dow Jones Averages

Table showing Dow Jones Averages: Open, High, Low, Last, Chg. Includes Industrial, Composite, and Finance indices.

Standard & Poor's Index

Table showing Standard & Poor's Index: High, Low, Close, Chg. Includes Industrial, Composite, and Finance indices.

NYSE Indexes

Table showing NYSE Indexes: High, Low, Close, Chg. Includes Composite, Industrial, Finance, and Banks indices.

NASDAQ Indexes

Table showing NASDAQ Indexes: High, Low, Close, Chg. Includes Composite, Industrial, Finance, and Banks indices.

AMEX Stock Index

Table showing AMEX Stock Index: High, Low, Close, Chg. Includes Composite, Industrial, Finance, and Banks indices.

Dow Jones Bond Averages

Table showing Dow Jones Bond Averages: Close, Chg. Includes 30 Bonds, 10 Industrials, and 10 Government bonds.

Market Sales

Table showing Market Sales: NYSE 4 a.m. volume, AMEX 4 a.m. volume, NASDAQ 4 a.m. volume.

N.Y.S.E. Odd-Lot Trading

Table showing N.Y.S.E. Odd-Lot Trading: Buy, Sell, Start, End, Volume.

S&P 100 Index Options

Table showing S&P 100 Index Options: Strike, Call, Put, Volume, Open Interest.

NYSE Diary

Table showing NYSE Diary: Advancing, Declining, Unchanged, Total Issues, Total Volume.

Amex Diary

Table showing Amex Diary: Advancing, Declining, Unchanged, Total Issues, Total Volume.

NASDAQ Diary

Table showing NASDAQ Diary: Advancing, Declining, Unchanged, Total Issues, Total Volume.

EUROPEAN FUTURES

Table showing EUROPEAN FUTURES: Close, High, Low, Prev. Close. Includes Food, Industrials, Metals.

Food

Table showing Food futures: COCOA (F0), COFFEE (F0), WHITE SUGAR (M0).

Industrials

Table showing Industrial futures: BASIL (F0), BREXIT CRUDE OIL (F0).

Metals

Table showing Metal futures: ALUMINUM (M0), COPPER CATHODES (M0).

Stock Indices

Table showing Stock Indices: FTSE 100 (LIPPE), Nikkei 225 (LIPPE).

Spot Commodities

Table showing Spot Commodities: Commodity, Today, Previous.

Dividends

Table showing Dividends: Company, Per Ann, Pay, Rec.

Financial

Table showing Financial: 3 MONTH STERLING (LIPPE), 6 MONTH STERLING (LIPPE).

U.S. FUTURES

Table showing U.S. FUTURES: Season, Open, High, Low, Close, Chg. Includes Grains, Metals, Lumber, Livestock.

Grains

Table showing Grain futures: WHEAT (C0), SOYBEAN MEAL (C0).

Metals

Table showing Metal futures: COIN (C0), SOYBEAN MEAL (C0).

Lumber

Table showing Lumber futures: SOYBEAN MEAL (C0).

Livestock

Table showing Livestock futures: CATTLE (C0), HOGS (C0).

Food

Table showing Food futures: COFFEE (C0), SUGAR (C0).

Financial

Table showing Financial futures: U.S. T-BILLS (M0), U.S. TREASURY (C0).

INDUSTRIALS

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N.Y. Times Renews Talks Over Globe

WASHINGTON (WP) — The New York Times Co. is continuing acquisition talks with Affiliated Publications, the parent of the Boston Globe, despite Affiliated's rejection of an earlier offer from the Times Co., people familiar with the discussions say.

The New York Times Co. appears to be the only suitor still in discussion with Affiliated, which has been the subject of successive rumors for about two years. Affiliated Publications has been at the center of such speculation because in 1996 control of the company is due to pass from two family trusts to more than 100 heirs of the Taylor and Jordan families, setting up a potential internal battle for control.

The Times Co. is discussing buying Affiliated primarily with Times stock, according to a knowledgeable source, who spoke on condition of anonymity. A smaller portion of the would-be purchase price, about 15 percent, would be in cash. The total value of such an offer could not be determined, although an unconfirmed report earlier this week said Affiliated's board rejected an informal offer worth \$1.09 billion.

While an acquisition of that size would dilute the value of the Times's publicly traded stock, the impact would be cushioned somewhat by the company's traditionally high valuation on Wall Street, analysts said. The Times Co.'s publicly traded shares have sold as high as 77 times the company's earnings in the past year, compared with the current Standard & Poor's 500-stock average of 23 times earnings.

Amex Sells Stake in Botswana Mine

LONDON (Reuters) — Amex Inc. has sold its 29.8 percent stake in Botswana RST Ltd., along with BRST's debts to Amex, to the Botswana government for a nominal sum, BRST said Friday.

The deal ends Amex's involvement in BRST and its BCL Ltd. unit, which owns the copper-nickel mine at Selebi-Phikwe. Botswana has bought BCL's \$8 million debt to Amex.

Fox Television to End News Service

LOS ANGELES (UPI) — Fox Television will end its three-year-old news service next week in a reorganization that will leave about 36 staffers without jobs, a top executive, Les Hinton, said Friday.

The final day for Fox News Service, launched in 1990 amid statements that it represented an essential cog in Fox's attempt to compete with the Big Three networks, will be June 11.

Some of the Fox News Service staff, which includes 30 full-time employees and 17 freelancers, will be incorporated in its operation at its WTTG station in Washington.

Computer Firms Urge Trade Policy

WASHINGTON (AFP) — The chief executives of 13 leading U.S. computer companies called on the Clinton administration Friday to integrate U.S. trade and technology policy.

"Our government must take bold steps to harmonize its trade and technology policies so our industry can continue to lead the world," said John Sculley, chief executive of Apple Computer Inc. and chairman of the group.

The 13 executives who form the Computer Systems Policy Project called for improved federal research and development spending priorities and incentives, the development of a national information infrastructure and efforts to open overseas markets.

For the Record

Marsh Supermarkets Inc. said it began development of four supermarkets in India in a venture with Nazim K.G., a German supermarket company, and Goetze Ltd., part of the Indian conglomerate Escorts Ltd. (Bloomberg)

Barr Laboratories Inc. said a U.S. court in North Carolina had rejected a jury trial to start June 28 on its suit challenging Burroughs Wellcome PLC's patent on AZT. (AP)

WORLD STOCK MARKETS

Table showing World Stock Markets: Amsterdam, Brussels, Frankfurt, London, Milan, Paris, Sao Paulo, Singapore, Zurich, Toronto. Includes various stock indices and their performance.

AID: Bentsen Voices Concern Over Russian Economy

Continued from Page 9

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A Glimmer Of Light In Germany

Reuters
BONN — Unemployment in Western Germany rose slightly in May but industrial orders in May showed an unexpected gain, prompting some economists to suggest Friday that the recession may be bottoming out.

The Federal Labor Office in Nuremberg said unemployment, adjusted for seasonal variations, rose to 2.23 million, from 2.20 million in April and 1.70 million in May 1992. Unadjusted unemployment in Western Germany fell to 2.15 million, from 2.20 million in April, and the jobless rate, which is based on these figures, dipped to 6.9 percent from 7.1 percent.

The Economics Ministry said industrial orders in Western Germany rose a provisional 2.1 percent in April from the previous month, after falling 2.7 percent in March. "What we think we are seeing in the data is evidence that overall the decline in activity is slowing down a bit," said Richard Reid, chief European economist at UBS in Frankfurt.

He added that Friday's figures, taken with the 0.4 percent rise in April industrial output reported Wednesday, might reflect a leveling out of the recession. In Eastern Germany, unadjusted unemployment fell to 1.10 million in May, from 1.12 million in April. The jobless rate was 14.4 percent, down from 14.7 percent in April.

A Piece of the Traction Autostrade Provides a Dividend Play

Bloomberg Business News
MILAN — Italy's toll roads may seem expensive to motorists, but some stock analysts call the company that manages them a good buy. Autostrade SpA, the company that operates about half of Italy's network of high-speed highways, says it's the largest toll road operator in the world. It's certainly the largest one quoted on a stock market. The only other ones quoted in Europe are in Spain, and none are quoted in North America.

Autostrade's common shares aren't traded. Twenty percent are owned by the state holding company Istituto per la Ricostruzione Industriale, or IRI, and 80 percent by its unprofitable construction subsidiary IRITECNA.

But 26 percent of its preferred shares are quoted on the Milan stock exchange. They have reduced voting rights but higher dividends. Autostrade is one of the companies the government plans to sell as part of its program of relinquishing control of state-owned companies. But a spokesman at IRI said he expected Autostrade would not be sold for a few years because first the loss-making IRITECNA has to be cleaned up.

Since the start of 1992, Autostrade has underperformed the stock market index by 17 percent and has underperformed SIP SpA, Italy's domestic phone operator and largest utility, by 37 percent. Paolo Agrifoglio, an analyst at Pasfin Securities in Milan, said the recent poor performance is due to the 1992 dividend being cut to 50 lire a share from 80 lire after a 75 percent drop in net profit, to 29 billion lire (\$19.8 million) in 1992.

However, Mr. Agrifoglio said the drop in net profit was caused by foreign exchange losses on the company's non-lira debt when the lira was pulled out of Europe's exchange-rate mechanism. He said that profit before taxes, financing charges and write-downs grew 26 percent last year. He expects the dividend to be back up to 80 lire

by 1995, giving the share a yield of 9 percent at the current stock price, a yield comparable to Italian state debt. Autostrade shares are bought largely for their dividend yield.

Net profit will bounce back to 96 billion lire this year and 123 billion lire the year after, he predicted.

Partly because of last year's collapse in net profit, Autostrade is trading at a high 40 times historic earnings, making it more expensive than the Spanish toll road operators or other Italian utilities such as SIP and Italgas SpA.

But Mr. Agrifoglio said in Pasfin estimates that the shares are trading at 12.1 times 1993 earnings and 9.4 times 1994's, making them cheaper than either the Italian or Spanish shares.

Autostrade shares stood at 997 lire, down 3, on Friday.

Analysts said that Autostrade's profit is likely to rebound in the next few years because the Italian government is planning reforms of the tariff system, and because the company's investment program is winding down.

The analysts say profit likely will rise even without an increase in traffic. Autostrade controls about 3,000 kilometers of Italy's 6,000-kilometer (3,720-mile) high-speed road system. The remaining half of the network is owned and operated by 23 consortiums of local governments, banks, and construction companies. Among Autostrade's stretches are the Milan-Bologna-Florence-Rome-Naples expressway, and the Bologna-Taranto highway that runs down the east coast.

Tolls are 70 lire a kilometer, about 8 U.S. cents a mile, for a passenger car and 100 lire a kilometer for commercial vehicles. A car driving the 170 kilometers from Milan to the coast at Genoa would pay 12,000 lire. Of this, 19 percent is value added tax, the highest rate in Europe.

French Employers Resist Government On Job Creation

Reuters
PARIS — France's conservative government, fighting a recession and soaring unemployment, is meeting stiff resistance in its efforts to pressure employers to stop layoffs and create jobs.

Labor Minister Michel Giraud pleaded with industry leaders on Friday to dig into their reserves and "go beyond the limits" in the fight against unemployment, now at more than three million, or 10.9 percent of the work force.

"I know industrialists say 'What counts is an order book' but there comes a time when you have to dig into your reserves to create new energy, and I think that moment has come," Mr. Giraud said on Radio Monte Carlo.

His second public appeal in a week came after the head of the CNPF employers' federation, Francois Perigot, said industry could not create jobs if consumers were not buying products.

The government and private institutes forecast the French economy will contract by up to 1 percent this year.

Mr. Perigot said on France-2 television that he would present proposals to boost youth employment to Prime Minister Edouard Balladur next Monday, but added: "Consumer confidence must return

before industrialists can be asked to make efforts."

The exchange highlighted the conservative government's impatience with employers, from whom it expected more cooperation, and the industrialists' view that the switch from Socialist rule in March has not changed the harsh facts of economic life.

Mr. Balladur, who has announced measures to reduce employers' payroll taxes and stimulate home-building and public works, called on industrialists this week to stop hesitating and do their share to create new hope.

A series of lightning layoffs in April in which companies gave employees just a few minutes to clear their personal belongings and leave sparked public anger and embarrassed the government.

A former Socialist labor minister, Martine Aubry, lent her support to the government's campaign on Friday, saying she found the industrialists' attitude shocking.

"Our employers have claimed for years that everything is the outside world's fault and have never called themselves into question," she said.

Mrs. Aubry said workers were paying the full price of the recession while companies were not being forced to make any commitments on retraining and apprenticeships.

Investor's Europe

Frankfurt DAX	London FTSE 100 index	Paris CAC 40		
1800	3000	2100		
1700	2800	2000		
1600	2600	1900		
1500	2400	1800		
1400	2200	1700		
1992	1992	1992		
Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	CBS Trend	104.78	104.70	Unch.
Brussels	Stock Index	8,043.22	8,057.83	-0.24
Frankfurt	DAX	1,837.85	1,829.82	+0.51
Frankfurt	FAZ	643.73	639.14	+0.62
Helsinki	HEX	1,188.05	1,170.18	-0.44
London	Financial Times 30	2,213.10	2,225.80	-0.58
London	FTSE 100	2,829.90	2,852.50	-0.79
Madrid	General Index	250.60	250.80	-0.31
Milan	MB	1,770.50	1,787.00	-1.43
Paris	CAC 40	1,959.69	1,987.02	-0.44
Stockholm	Alfarsvaerden	1,922.86	1,920.65	+0.02
Vienne	Stock Index	368.84	368.17	+0.67
Zurich	SBS	780.18	773.70	+0.83

Source: Reuters, AFP

Very briefly:

- Swiss gross domestic product, seasonally adjusted, fell by 1.1 percent in the first quarter from the last quarter of 1992, and by 1.1 percent as well from the first quarter of 1992.
- Procordis AB of Sweden agreed to sell its Finnish subsidiary, Wallac Oy, to EG & G Inc., based in Wellesley, Massachusetts, for 350 million kronor (\$45.8 million); Wallac manufactures and sells analysis and immunodiagnostic systems.
- Goodyear Tire & Rubber Co. said it would reorganize its regional European headquarters, moving some executives to Luxembourg from Brussels and others to Akron; the change will reduce the regional staff by about 100 people.
- Bertrol SA and Empresa Nacional de Electricidad SA said they had reached a wide-ranging collaboration agreement and would examine possible asset swaps.
- The European Community is set to end the current crop year with record surplus grain stocks of 34 million tons held in public storage, equivalent to one year's exports, the French cereals office said.

Reuters, Bloomberg, AFP, AP

TRADE: A Tokyo 'No' on Priming EC Backs Klöckner Debt Plan

Continued from Page 9

recycling plan will be providing \$75 billion in Official Development Assistance between 1993 and 1997, mainly through public funds, Kyoto quoted the source as saying. Among countries included in the program will be about \$35 billion in loans by the government bank and \$10 billion in trade insurance.

The source said recipients eligible for the program would include East European nations but exclude Russia because of complaints by developing nations in Asia, Latin America and Africa that donor nations excessively favor Moscow.

Meanwhile, Japanese representatives plan to meet in Washington next Friday with Clinton administration officials to begin negotiating a framework for trade relations. President Bill Clinton has insisted that such a framework include a Japanese pledge to buy specific lev-

els of U.S. goods as a measure of progress in whittling down the trade imbalance in Japan's favor.

But the Japanese used the two-day Paris meeting of top trade and economic officials of the OECD to argue that the specific targets sought by the Clinton administration are contrary to free-trade principles.

Apparently seeking to capitalize on the feeling among many nations that the U.S. administration is more willing than the Bush administration to be confrontational and to resort to sanctions, Japan proposed unsuccessfully that the meeting's final statement include a passage denouncing managed trade.

In the end, the Paris meeting produced a compromise statement that muted references both to managed trade and to Japanese trading practices. (AFP, Reuters, NYT)

EC Backs Klöckner Debt Plan

Compiled by Our Staff From Dispatches

BRUSSELS — The EC Commission on Friday cleared the German steelmaker Klöckner-Werke's debt settlement and restructuring plan. The Commission said it would waive repayment of 40 percent of a 175 million Deutsche mark (\$280 million) loan made to Klöckner. In return, Klöckner has agreed to further restructuring to improve its financial viability.

Under the plan, Klöckner is to close one blast furnace at its Bremen steel plant. This would cut pig-iron capacity by 33 percent and reduce crude-steel capacity by 20 percent.

Other Klöckner creditors have already agreed to the plan, under which unsecured creditors owed more than 10,000 DM would receive 40 percent of the total owed them. Those owed less would receive full payment. Secured creditors, such as the European Community, would get back 60 percent.

The plan was put forward by three units of the Klöckner-Werke group that filed for protection from creditors Dec. 11 after a combined operating loss of 200 million DM in the year ended Sept. 30. The three units are Klöckner-Werke AG, Klöckner Stahl GmbH and Klöckner Edelstahl GmbH.

Klöckner, which owes a total of about 2.7 billion DM, mainly to banks, said it welcomed the commission's decision to waive part of the loan.

Friday's EC decision means Klöckner will have to repay only 105 million DM.

The restructuring includes cutting 2,100 jobs, bringing the number of group employees down to 4,100. Originally, Klöckner had proposed cutting its work force by 1,700, to 4,500.

It is not yet clear how the reductions will be achieved, whether via voluntary layoffs or direct dismissals, a company spokesman said.

A consortium of European steelmakers led by Germany's largest steelmakers have said they want to take over Klöckner's cold-rolling mill in Bremen. The EC Commission had earlier held out on approving the restructuring plan because it wanted more aggressive capacity cuts. It also reserved the right to enforce the capacity cuts pledged by Klöckner.

The restructuring will enter its decisive phase next week, when creditors will vote to forge a total 1.4 billion DM in debt. Creditors will meet in Duisburg on Monday for Klöckner-Werke, Tuesday for Klöckner-Stahl and Wednesday for Klöckner-Edelstahl. (AP, Bloomberg)

An Attali Aide Exits Hurriedly

International Herald Tribune

PARIS — The word of Jacques Attali's European Bank for Reconstruction and Development continue: Now it has lost its new chief economist before he even took up the post.

Michael Bruno, former head of Israel's central bank, had agreed in March to join the EBRD in October. Two weeks ago, he withdrew, and the EBRD announced Friday that Nicholas Stern, professor of economics at the London School of Economics, had accepted the post starting Jan. 1.

The EBRD, which has been assailed for spending too much on itself and not lending enough to East European clients, cited budget constraints.

U.K. Car Sales Resume Rise

Compiled by Our Staff From Dispatches

LONDON — Car sales in Britain headed higher again in May, for a 12 percent gain over May 1992, resuming this year's upward trend after a drop in April, industry figures showed Friday.

But in Italy, new car sales plunged 28 percent last month compared with a year ago, and were down 21 percent in the first five months of the year, according to Anfia, the national association of carmakers. (AFP, Reuters, AP)

NASDAQ

Friday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12-Month High	Low	Stock	Div	Yld	PE	52-Week High	Low	Latest	Change
100	80	IBM	4.00	4.00	12	100	80	100	+20
120	100	Microsoft	0.00	0.00	15	120	100	120	+20
150	130	Oracle	0.00	0.00	18	150	130	150	+20
180	160	Sun	0.00	0.00	20	180	160	180	+20
200	180	Intel	0.00	0.00	22	200	180	200	+20
220	200	Motorola	0.50	2.30	10	220	200	220	+20
240	220	Texas Instruments	0.20	0.80	15	240	220	240	+20
260	240	Advanced Micro Devices	0.00	0.00	18	260	240	260	+20
280	260	AMD	0.00	0.00	20	280	260	280	+20
300	280	ATI	0.00	0.00	22	300	280	300	+20
320	300	SGS-Thomson	0.00	0.00	24	320	300	320	+20
340	320	SGS	0.00	0.00	26	340	320	340	+20
360	340	SGS-Thomson	0.00	0.00	28	360	340	360	+20
380	360	SGS	0.00	0.00	30	380	360	380	+20
400	380	SGS-Thomson	0.00	0.00	32	400	380	400	+20
420	400	SGS	0.00	0.00	34	420	400	420	+20
440	420	SGS-Thomson	0.00	0.00	36	440	420	440	+20
460	440	SGS	0.00	0.00	38	460	440	460	+20
480	460	SGS-Thomson	0.00	0.00	40	480	460	480	+20
500	480	SGS	0.00	0.00	42	500	480	500	+20

NYSE

Friday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Symbol	Price	Change
IBM	100.00	+0.25
MSFT	45.00	+0.10
ORCL	25.00	+0.15
GOOG	150.00	+1.00
AMZN	10.00	+0.05
EBAY	15.00	+0.10
SHOP	20.00	+0.20
WAL	30.00	+0.15
DIS	40.00	+0.20
WMT	50.00	+0.10
CVS	60.00	+0.15
UNH	70.00	+0.20
MRK	80.00	+0.10
ABB	90.00	+0.15
BA	100.00	+0.20
GE	110.00	+0.10
GM	120.00	+0.15
Ford	130.00	+0.20
Chrysler	140.00	+0.10
Stellantis	150.00	+0.15
Alcoa	160.00	+0.20
Alumina	170.00	+0.10
Steel	180.00	+0.15
Energy	190.00	+0.20
Utilities	200.00	+0.10
Telecom	210.00	+0.15
Real Estate	220.00	+0.20
Commodities	230.00	+0.10
International	240.00	+0.15
Options	250.00	+0.20
Bonds	260.00	+0.10
Foreign	270.00	+0.15
Index	280.00	+0.20

Symbol	Price	Change
INTL	100.00	+0.25
ASIA	110.00	+0.10
EURO	120.00	+0.15
AFRICA	130.00	+0.20
AMER	140.00	+0.10
AUS	150.00	+0.15
BR	160.00	+0.20
CA	170.00	+0.10
CH	180.00	+0.15
CO	190.00	+0.20
DK	200.00	+0.10
FR	210.00	+0.15
DE	220.00	+0.20
GR	230.00	+0.10
HK	240.00	+0.15
IN	250.00	+0.20
IT	260.00	+0.10
JP	270.00	+0.15
KR	280.00	+0.20
MX	290.00	+0.10
RU	300.00	+0.15
SA	310.00	+0.20
SE	320.00	+0.10
SG	330.00	+0.15
TH	340.00	+0.20
TR	350.00	+0.10
UK	360.00	+0.15
US	370.00	+0.20
ZA	380.00	+0.10

Symbol	Price	Change
COMD	100.00	+0.25
ENER	110.00	+0.10
UTIL	120.00	+0.15
TELE	130.00	+0.20
REIT	140.00	+0.10
INDX	150.00	+0.15
INTL	160.00	+0.20
ASIA	170.00	+0.10
EURO	180.00	+0.15
AFRICA	190.00	+0.20
AMER	200.00	+0.10
AUS	210.00	+0.15
BR	220.00	+0.20
CA	230.00	+0.10
CH	240.00	+0.15
CO	250.00	+0.20
DK	260.00	+0.10
FR	270.00	+0.15
DE	280.00	+0.20
GR	290.00	+0.10
HK	300.00	+0.15
IN	310.00	+0.20
IT	320.00	+0.10
JP	330.00	+0.15
KR	340.00	+0.20
MX	350.00	+0.10
RU	360.00	+0.15
SA	370.00	+0.20
SE	380.00	+0.10
SG	390.00	+0.15
TH	400.00	+0.20
TR	410.00	+0.10
UK	420.00	+0.15
US	430.00	+0.20
ZA	440.00	+0.10

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BR	160.00	+0.20
CA	170.00	+0.10
CH	180.00	+0.15
CO	190.00	+0.20
DK	200.00	+0.10
FR	210.00	+0.15
DE	220.00	+0.20
GR	230.00	+0.10
HK	240.00	+0.15
IN	250.00	+0.20
IT	260.00	+0.10
JP	270.00	+0.15
KR	280.00	+0.20
MX	290.00	+0.10
RU	300.00	+0.15
SA	310.00	+0.20
SE	320.00	+0.10
SG	330.00	+0.15
TH	340.00	+0.20
TR	350.00	+0.10
UK	360.00	+0.15
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GR	230.00	+0.10
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IT	260.00	+0.10
JP	270.00	+0.15
KR	280.00	+0.20
MX	290.00	+0.10
RU	300.00	+0.15
SA	310.00	+0.20
SE	320.00	+0.10
SG	330.00	+0.15
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DK	200.00	+0.10
FR	210.00	+0.15
DE	220.00	+0.20
GR	230.00	+0.10
HK	240.00	+0.15
IN	250.00	+0.20
IT	260.00	+0.10
JP	270.00	+0.15
KR	280.00	+0.20
MX	290.00	+0.10
RU	300.00	+0.15
SA	310.00	+0.20
SE	320.00	+0.10
SG	330.00	+0.15
TH	340.00	+0.20
TR	350.00	+0.10
UK	360.00	+0.15
US	370.00	+0.20
ZA	380.00	+0.10

Symbol	Price	Change
INTL	100.00	+0.25
ASIA	110.00	+0.10
EURO	120.00	+0.15
AFRICA	130.00	+0.20
AMER	140.00	+0.10
AUS	150.00	+0.15
BR	160.00	+0.20
CA	170.00	+0.10
CH	180.00	+0.15
CO	190.00	+0.20
DK	200.00	+0.10
FR	210.00	+0.15
DE	220.00	+0.20
GR	230.00	+0.10
HK	240.00	+0.15
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U.S. Chipmakers, at Home in Japan

Market Access Accord Has Worked So Well It's Passé

Compiled by Our Staff From Dispatches
TOKYO—A U.S.-Japan agreement guaranteeing foreign companies a 20-percent share of Japan's \$19-billion market for computer chips helped U.S. companies get a leg up in a difficult market to crack. Now that they are in, American chipmakers said Friday, they no longer need Uncle Sam.
Executives of Intel Corp., Texas Instruments Inc., AT&T Microelectronics Corp. and LSI Logic Corp. generally praised the semiconductor agreement at a gathering with their Japanese customers. The session was the annual meeting of the U.S. Semiconductor Industry Association and the Electronic Industries Association of Japan.
The 1991 agreement has been held up as a model by the Clinton administration, which is pushing Japan for "measurable results" in reducing its annual \$49-billion trade surplus with the United States.
The U.S. executives said the 20-percent agreement broke down barriers that had held foreign market share at about 16 percent for most of last year. In the first quarter of 1992, foreign chipmakers took a 22.5-percent share of the market.

"We are very pleased with the results so far," said Pat Weber, president, components sector, at Texas Instruments. "We believe that the 20-percent figure will be maintained throughout 1993."
The jump in foreign share in the final quarter was partly due to the success of special buying programs started by Japan's biggest chip users, as well as a number of successful "design-in" projects—where U.S. chipmakers worked closely with Japanese customers to tailor their product for them.
But it was also because of a disastrous period for Japan's consumer electronics makers. These companies got most of their chips from domestic suppliers, and the slump meant the value of Japanese semiconductors sold dramatically, boosting foreign chips as a percentage of the total market.
However, U.S. executives were not worried that a future recovery in the consumer electronics business could send the figure down below 20 percent again for the long term.
Even if this happened temporarily, they said, the basis for their participation in the

Japanese market had been established. The foreign producer is becoming a part of the Japanese *keiretsu*, Mr. Weber said, referring to the system of close ties between component suppliers and customers.
And structural changes in the semiconductor industry will make new numerical targets unnecessary, said Will Conigan, who is chairman and chief executive of LSI Logic and current chairman of the Semiconductor Industry Association.
The focus of chip technology is moving away from traditional areas of Japanese strength, like memories for data storage, to areas where the Americans have a strong lead, like logic circuits, he said.
Logic circuits are semiconductors that control the actual functions of computers and electronic devices. They demand a much higher level of technological expertise to design and manufacture than simple storage chips.
America also has the edge in emerging technologies like multimedia and mobile communications. (Bloomberg, Reuters)

Northwest, for Now, To Obey Limits On Australia Flights

Compiled by Our Staff From Dispatches
MINNEAPOLIS — After an Australian federal judge failed to grant a requested injunction against the government, Northwest Airlines on Friday agreed to limit the number of Japanese passengers on two weekly flights to Australia as it awaited a July 12 trial.
Australia has insisted that Northwest pick up no more than 50 percent of its passengers in Japan for the final leg of its New York-Osaka-Sydney flights. The airline said such a restriction violates the bilateral aviation treaty between the two nations.
Northwest had hoped the Australian court would block a government order cancelling its three weekly flights as of June 30 and allowing only the two restricted flights after that. Still, the airline reapplied Thursday for the two weekly flights.
The U.S. Department of Transportation, in retaliation, has said it would cancel three of the nonstop Los Angeles-Sydney flights currently flown by Qantas Airlines.
In Canberra, Foreign Minister Gareth Evans said Friday that Australia had no intention of sacrificing its credibility by backing down in its air services war with the United States.
"Some discussions are taking place," in the context of the court case in Sydney, he added, "and it might just be possible that some stepping back from the brink occurs."
Australia contends that Northwest has been drawing off passen-

gers from Australian and Japanese carriers. Northwest has estimated that it provides only 4 percent of the airline seats available from Osaka to Sydney.
Northwest said Friday that Qantas would face more flight cuts if the U.S. carrier was unhappy with the court's findings.
"We may consider asking the U.S. Department of Transportation for stronger sanctions against Qantas," a Northwest spokesman said.
"I won't speak for the U.S. government, but I think that they are contemplating that and I know they fully back Northwest's position on this issue," he said.
The dispute is a part of what threatens to become a major trade battle being fought on three fronts, threatening serious damage to Canberra's relations with Washington.
Australia's dairy farmers fear their 900 million dollar (\$610 million) export trade with Asia is under threat from U.S. plans to sell subsidized skim milk to the Philippines.
When farmers fear Washington may extend its export enhancement program to subsidize wheat sales to Indonesia.
Mr. Evans said that a number of official meetings had already taken place on the dairy issue in the Philippines. He also noted that efforts were under way to counter possible U.S. grain subsidies in other Asian markets.
Trade Minister Peter Cook and farmers' representatives are to raise all three issues in talks with U.S. trade officials in Washington next week. (Reuters, AP, Bloomberg)

Investor's Asia

Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong Hang Seng		7,357.49	7,168.26	+0.03
Singapore Straits Times		1,879.88	1,889.48	-0.07
Sydney All Ordinaries		1,741.00	1,741.00	Unch.
Tokyo Nikkei 225		20,882.24	21,078.00	-0.92
Keefe Lumpur Composite		732.15	735.08	-0.40
Bangkok SET		Closed	832.08	
Seoul Composite Stock		781.75	783.15	-0.39
Taipei Weighted Price		4,281.50	4,342.78	-1.12
Manila Composite		1,587.29	1,581.15	+0.39
Jakarta Stock Index		349.86	349.80	-0.04
New Zealand NZSE-40		1,666.53	1,648.51	+0.43
Bombay National Index		1,682.20	1,047.20	+1.43

Very briefly:

- The Ministry of International Trade and Industry in Tokyo said it would be prepared to comment on the European Community's request for further limitations on auto exports.
- South Korea plans to set up a \$10 million fund to boost industrial cooperation with the United States in an apparent effort to reduce reliance on Japanese technology and parts.
- Jose Chua, governor of the Philippines central bank, said he was resigning at the end of June.
- Malaysian Airline System Bhd., which turned a yearly profit of 145.6 million ringgit (\$57 million) because of aircraft sales, may suspend some international routes and curtail frequencies in domestic service.
- Jardine International Motor Holdings said it had bought a 12.6 percent stake in Malaysia's Cycle & Carriage Biting Bhd for \$19.6 million.
- Shengri-La Asia Ltd.'s initial offer of 135 million shares to the general public was around 100 times oversubscribed.

IMF Presses Manila to Speed Reform

Compiled by Our Staff From Dispatches
MANILA — The International Monetary Fund on Friday urged the Philippines to carry out tougher economic reforms to raise revenue, cut spending and free the country from reliance on foreign loans.
Mr. Browne's remarks were a part of a detailed and critical summing up of the economic situation here in the year since President Fidel V. Ramos came to power.
The first bottleneck in the economy that should be addressed, he said, is the crippling energy shortage. The government is building new plants but more measures should be added, including increasing power rates, he added.

short of the high expectations that were originally set. This has been primarily because policies have yet to be put in place to support the ambitious goals set by the administration.
"My message is that things have got to move," Mr. Browne said, referring to the stalled discussions between the IMF and Manila on a new economic program.
The previous package negotiated with the IMF expired this month. If Manila does not get a new pact this year, it will have to repay the Paris group of donors \$1 billion in remaining loans. (Reuters, AP, AFP)

The government should also cut spending, increase revenues, streamline the bureaucracy and create an open and competitive economic environment for the private sector, he said.
"Some discussions are taking place," in the context of the court case in Sydney, he added, "and it might just be possible that some stepping back from the brink occurs."
Australia contends that Northwest has been drawing off passen-

CHINA: Gauging Trade Weapons BUSTU: Sayonara to Buying Spree Expected of Japan's Royal Wedding

Continued from Page 9
United States — everything from shoes to clothing to consumer electronics — would rise from the 4 percent to 12 percent currently to as high as 70 percent. Sales to America would collapse since Walmart and Sears could obtain similar sweaters, jogging gear and soon boxes more cheaply from Malaysia, Thailand or Mexico.
But that is far from the whole story. While China is a net exporter to America, it still imports billions of dollars of American goods that would be vulnerable to Chinese retaliation.
Because it is growing so rapidly, China could soon rival the big European economies both as a market for manufactured exports and as a location for foreign factories to serve domestic demand.
At the same time, Richard Fisher, a policy analyst at the Heritage Foundation, argues that the economic fate of Taiwan and Hong Kong is rapidly becoming hostage to China's trade fortunes. The Taiwan and Hong Kong surpluses

with America have been falling at about the same pace that China's surplus has been growing — and by no coincidence. High wages in these two hugely successful economies are driving entrepreneurs to shift labor-intensive production to the mainland, creating an integrated Chinese economy that Paul Armstrong and Uri Dadush of the World Bank have dubbed the world's "fourth economic pole."
Cutting off American trade with the mainland would smash Taiwan's and Hong Kong's multi-billion-dollar earnings from a variety of auxiliary services such as banking and shipping, not to mention their returns from mainland investments.
But the most perplexing issue facing Mr. Clinton is how to use the threat of trade barriers to do more harm to democracy's enemies on the mainland than to its allies. The success of export-oriented free enterprise in southern coastal China has weakened Beijing's political grip on the region and, by example, has discredited communism in the bitterly poor interior.

Continued from Page 1
the royal betrothal, their spending habits seem more influenced by news of falling profits and factory closings. Sales at large retail stores were down 7.5 percent in March, and 4 percent in April, from the year-earlier period.
"We are embarrassed," said Koichi Haji, senior economist at the NLI Research Institute, which drew widespread publicity in January for predicting that the wedding would generate as much as \$26 billion in additional spending, raising Japan's growth rate by about 0.8 of a percentage point.
"We have to admit," he added, "we aren't finding much of an impact on consumption from the royal wedding."
Defending his institute's forecast, Mr. Haji cites the fine print, which said only that the wedding could generate \$26 billion in spending, and then only if the government cut taxes, which hasn't happened.
And he adds that there appears to have been an increase in demand for such items as Yorkshire terriers, the breed of dog owned by the Oiwada family, and pearl rings, which the princess is to be reportedly wear.
Also a bit embarrassed is Jusco Ltd., a big retailer, whose chairman, Takuya Okada, declared in January that the royal match would produce a more salutary effect on the economy than the government's \$80 billion public works

program. A Jusco spokesman, asked how the company currently envisions the outlook for consumption, ruefully said, "Well, we hope the atmosphere is going to improve."
Such key industries as electronics don't seem to be getting the hoped-for boost.
One popular theory a few months ago, for example, was that the marriage of Miss Owada and the crown prince would give a big lift to sales of high-definition televisions, because Japanese would want to watch the ceremony with all of the crisp, movie-like clarity that only it can provide.
Industry experts see no evidence of such a wedding-induced boom, and they ridicule the notion that anybody is buying the sets to watch the matrimonial rite at a time when overtime pay is down 13 percent from last year and summer bonuses are being cut. At prices ranging up to \$15,000, high-definition sets "can cost as much as a car," noted Kyohisa Ohta, an analyst at the Nomura Research Institute.
Where the optimism apparently went wrong was in drawing a parallel with the 1959 wedding of the current emperor and empress, Akihito and Michiko, which came at a time when Japan was just embarking on its postwar economic miracle.
"It's nonsense to compare the current situation to the previous royal wedding," said Takeshi Oshio, an economist at Morgan Guaranty

Trust Co. "The previous one was held at the beginning of a very big expansion, and people had lots of things they wanted to buy. Now the situation is quite different. Not only has the market matured, but there is no rosy outlook for income growth."
Not that a few companies aren't trying to capitalize on the festivities.
"It's time for Hi-Vision," a Sony Corp. newspaper ad proclaims, using the Japanese term for high-definition TV and noting that the wedding will be broadcast in high definition.
Various companies are launching special products to commemorate the marriage, including a limited edition sake (13,000 bottles) named after the royal couple, packaged in a gold box and selling for about \$20. Department stores say sales of pearls and Hermes scarves, both associated with Miss Owada's wardrobe, are up about 20 percent.
The royal wedding hasn't even had much of a stimulating effect on the wedding industry itself.
The engagement of Prince Naruhito and Miss Owada was widely expected to trigger a boom of me-too marriages among young Japan. Since weddings typically cost upwards of \$70,000 to stage, such a boom might help spur overall consumption, at least a little.
Yasuharu Ishizawa, a special correspondent, contributed to this report.

On June 21st, the IHT will publish a Special Report on

Mergers & Acquisitions

- Among the topics to be covered are:
- Consolidation in the American banking industry
 - Diversification through takeovers
 - Outlook for M & A in Europe's Single Market
 - Comeback of the junk bond market
 - Takeovers and mergers in the airline industry

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INTERNATIONAL
Herald Tribune

AMEX Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High	Low	Stock	Div	Yld	PE	52 Wk High	52 Wk Low	Latest	Change
114.00	112.00	AAVE				114.00	112.00	113.00	+1.00
114.00	112.00	AAVE				114.00	112.00	113.00	+1.00
114.00	112.00	AAVE				114.00	112.00	113.00	+1.00
114.00	112.00	AAVE				114.00	112.00	113.00	+1.00
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114.00	112.00	AAVE				114.00	112.00	113.00	+1.00
114.00	112.00	AAVE				114.00	112.00	113.00	+1.00
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114.00	112.00	AAVE				114.00	112.00	113.00	+1.00
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114.00	112.00	AAVE				114.00	112.00	113.00	+1.00
114.00	112.00	AAVE				114.00	112.00	113.00	+1.00
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NYSE

Friday's Closing Tables include the national price up to the closing on Wall Street and do not reflect late trade elsewhere. Via The Associated Press

Table with columns: 12 Month High Low Stock, Div, Yld, PE, High, Low, Last, Change. Includes entries for ABC Futures, ABC Futures, ABC Futures, etc.

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AS - Australian Dollars; AU - Australian Dollars; BF - Belgian Franc; CA - Canadian Dollars; DM - Deutsche Mark; ECU - European Currency Unit; FF - French Franc; FL - Dutch Guilder; L - British Pound; L.F. - Luxembourg Franc; P - Swiss Franc; S - Singapore Dollar; S.F. - Swiss Franc; T - Taiwan Dollar; T.S. - Taiwan Dollar; US - US Dollar; Y - Japanese Yen; Y.S. - Japanese Yen; Z - South African Rand; Z.S. - South African Rand; A - Amsterdam; B - Brussels; C - Copenhagen; D - Luxembourg; E - Frankfurt; F - Paris; G - Geneva; H - Zurich; I - London; J - Tokyo; K - Seoul; L - London; M - Luxembourg; N - Amsterdam; O - Amsterdam; P - Amsterdam; Q - Amsterdam; R - Amsterdam; S - Amsterdam; T - Amsterdam; U - Amsterdam; V - Amsterdam; W - Amsterdam; X - Amsterdam; Y - Amsterdam; Z - Amsterdam.

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THE MONEY REPORT

Lloyd's Sacrifices Tradition to Save Its 'Names'

By Aline Sullivan

LLOYD'S of London is not bankrupt. That the Lloyd's chairman, David Rowland, should have felt obliged to point this out at a meeting of 2,800 angry Lloyd's investors last week shows the depths to which the once-proud insurance market has sunk.

Membership of Lloyd's must surely qualify as one of the worst investments on offer in recent years. But investors may at last have found a way to limit their exposure to the stomach-turning swings of the insurance cycle and the expensive exploits of rogue underwriters.

The answer is limited liability, a concept wholly at odds with the traditional notion of Lloyd's membership. For 305 years, "names," the individuals who back underwriting at Lloyd's with their personal wealth, have traded with unlimited liability. Their commitment gave Lloyd's policies unrivaled security and investors prospered for most of the market's history.

Their fortunes have soured in recent years. A series of natural and man-made disasters, together with unsound market practices, forced many names into bankruptcy. To

tal losses are expected to top £6 billion (\$9.36 billion) between 1991 and 1994. Names have resigned in droves and underwriting capacity in the market has dropped to £8.8 billion this year from a high of £11.3 billion in 1991.

To stem this exodus, Lloyd's, on April 29, unveiled its first-ever business plan, a 70-page document calling for dramatic restructuring, cost cuts and the introduction of corporate membership with limited liability.

The plan has been welcomed by the Association of Lloyd's Members, which officially represents more than 9,000 names. But to judge from the invective hurled at Mr. Rowland and his chief executive, Peter Middleton, last week, grass-roots sentiment among names is far less favorable.

"This plan is another attempt to deceive all names all the time," thundered Richard Micklethwaite, one of the aggrieved names at the meeting, which took place in the Royal Albert Hall in central London. "We have no reason to trust Lloyd's any more."

Lloyd's membership has for years served as a way in which investors can make their assets earn income twice over. Stocks and shares deposited at Lloyd's continue to earn dividends, while serving as the security for underwriting. Names receive a share of any underwriting profit together with investment returns on the premiums written against the security of their deposits.

Membership is a highly geared investment, as names have been discovering to their cost in recent years. For every £1 million deposited by names, Lloyd's professional underwriters can accept premiums



Register of ships insured by Lloyd's and lost at sea.

of £3 million. If underwriters get their calculations wrong, it can cost names dear. Unlimited liability means that a name's entire personal wealth is at stake.

Of course, the corporate names will not have the same gearing as individual names, whose liabilities remain unlimited. Corporate names will have to deposit funds at Lloyd's equal to at least 50 percent of their overall premium limits. Individual names will have to deposit 20 percent to 25 percent of their overall premium income limits, depending on their wealth.

David Seal, a broker at Fraser Insurance Brokers Ltd., said he expects individual names to form consortia that will apply for corporate membership with limited liability.

"I am convinced that individual membership will decline until it disappears altogether," said Mr. Seal. "Lloyd's will not get a lot of new names with unlimited liability because the rewards will be very similar for those with limited liability."

According to Mr. Seal, time is also running out for members' agencies, the groups responsible for recruiting names and selecting their syndicates. "Instead, there will be

big investment trusts looking after a lot of names," he said.

Robert Saunders, a Lloyd's adviser at the London accountants Smith & Williamson, agreed that most investors will join on a corporate basis or through the new Members' Agents Pooling Arrangement, which will operate as a mutual fund, enabling smaller names to gain exposure to a wide variety of syndicates. But Mr. Saunders said they will be making a mistake.

"An investor able to risk £500,000 at Lloyd's with unlimited liability will be able to underwrite up to five times that amount," he said. "On the basis of a 10 percent return (on underwriting), he will double his capital in two years. With limited liability, he would be able to underwrite up to only £1 million and his return would be 100,000. Personally, I don't see the attraction of limited liability."

But many current names may wish they had the option of joining Lloyd's on a limited liability basis. More than three-quarters of the current Lloyd's membership of 20,000 are burdened with "open years," syndicates that cannot close their accounts because they are unable to calculate their outstanding liabilities.

In theory, this should be easy. Lloyd's reports earnings three years in arrears to allow underwriters to evaluate outstanding claims. But claims from U.S. asbestosis and pollution liability risks underwritten at Lloyd's in the 1950s, 1960s and 1970s are still coming in.

Open years are a nightmare for names because they do not know how much they will have to pay in claims, or when. More than 10,000 names have ceased trading at Lloyd's in recent years but remain vulnerable to claims because they are on open-year syndicates.

OPEN years are also worrying for new Lloyd's names, who risk seeing today's profits confiscated by underwriters to pay for yesterday's claims.

The business plan's solution is for Lloyd's to create a new company to assume liability for outstanding claims on policies written before 1986, where the bulk of the open-year liabilities are concentrated. The company, NewCo, will have reserves of between \$4 and \$5 billion and will serve as a barrier between new names and the problems of open years.

But critics of the plan suggest that NewCo could exhaust its reserves and the investment income these reserves generate, leaving it dependent on the Lloyd's central fund. This might force a levy on members.

Skepticism is rife among the current membership of Lloyd's, many of whom feel they have been repeatedly misled over the scale of losses they should expect. Lloyd's has set a profit target of £900 million for the 1995 year of account, due to be reported in 1998. This looks very ambitious: Lloyd's previous record, in 1986, was £649 million. The business plan admits that its target will only be achievable "if there is a significant improvement in underwriting standards."

"Lloyd's membership is attractive now if you have structured your family assets properly and if you have a long-term view," said Mr. Saunders. "You shouldn't join in if you are the type of person who lies awake at night worrying about reports of bad weather."



A Daumier courtroom scene, "After the Hearing," which was sold in 1991.

Banks That Cater to Collectors

International Herald Tribune

GENEVA — Private banks may have been forced into an obsession with the bottom line by their performance-driven clients, but a couple of them offer services for those who still appreciate the finer things in life, even if they cannot figure out how to buy and sell them.

The private banking arms of Citibank and J. Henry Schroder Bank maintain art advisory services that help account holders, and in some cases people who just walk in off the street, with all aspects of ownership and dealing in

collecting, storage, shipping, insurance, taxes, valuation, authentication and bidding. Citibank's Art Advisory Service, with offices in London and New York, is "aimed at active collectors, either new to the field or very experienced," explained Ian Dunlop, who heads the London office.

"We don't just provide information about the transactions themselves," he goes on to say. "We will bid at auction for collectors, handle shipping, bill paying, restoration. Our advice extends to viewing at auction, viewing with dealers. We make suggestions about what the right price should be. It's a general information service that will help the collector make decisions and buy wisely."

Officials of the two banks stress that their goal is not to make money for their clients by trading in the art market; the services are for those who are interested in owning artworks for their own sake.

"I wouldn't buy a painting hoping it will triple in value," said Thomas Seydoux, an art historian for Schroder's Fine Art Consulting Service. "Paintings should be enjoyed." He noted that some banks do specialize in art investment, something he considers "very snobby."

Of course, Schroder does bring up the subject of money when it makes a big score for one of its clients. A press release included in an information package about its

service notes that records for works on paper were set in 1991, when a Millet and a Daumier that it offered for a client together fetched nearly £1 million, about \$1.5 million at today's exchange rate, in a Sotheby's auction.

The main selling point for the services is the independence of the advice they offer.

"It's useful when buying art to have someone independent with no vested interest in any of the art being sold," Mr. Dunlop said. "We're a good sort of sounding board for people who want to talk things through."

"We're not dealers trying to make a quick buck in commissions," said Mr. Seydoux. "We buy art not for us but for our clients." The first step when a collector comes into Schroder with a painting to sell is research. The work will be authenticated with the aid of reference guides, which also help to establish its relative importance and its approximate value. Then the advisers can arrange a sale, either through an auction house or a private deal.

Mr. Seydoux said that in some cases the bank can arrange for a painting to be lent for exhibition in a museum, something that can enhance its value before it is ultimately sold.

When collectors want to buy, he said, the service can help select the type of work based on the client's preferences and price range. For instance, if the only paintings a client can afford of a particular artist are of mediocre stature, and so not likely to have lasting value, Schroder might steer him to a top-quality print by the same artist.

As with art itself, advisory services can be viewed with a subjective eye.

Speaking of Citibank's service, a London art dealer remarked: "They have a good reputation; they seem to give a satisfactory service. Obviously, it's not 100 percent successful at all times. I know some clients who started with them and now do their own thing." He said he was not familiar with the Schroder service.

"I personally have always found the best picture deals when clients have gone into the open market and bought the best items from the hands of reputable dealers, provided they have done their homework and got their pricing right."

As for other sources of advice, he acknowledged that dealers are trying to make a profit, but "a top dealer should give unbiased advice if he's worth his salt. That's how reputations are made."

To all this, Mr. Dunlop replied: "That's a dealer speaking. If anything, we take a cautious view and make as many negative recommendations as possible" on whether to buy and sell.

Sometimes the best advice is to tell the client not to sell," Mr. Seydoux said. "We're employees of the bank. We don't say, 'God, if I don't sell a painting this month, I can't pay the electricity.'"

Simon de Pury, Sotheby's chairman in Switzerland, of course takes exception, as well, to the dealer's comment about auctions.

"Any advisory service of any kind must give its best advice in the interest of its clients," he said. Just as the advisory services are not in business to make their clients rich through art, the banks say they services are not making their clients rich. Schroder operates its service as a high-toned loss leader that brings customers through the door and enhances the bank's prestige.

Schroder gets a 5 percent commission on works sold through private deals. That is the only money it takes directly through the service, Mr. Seydoux said. The research and archival work are done for free, as are the preparation of works for auction and the administrative chores involved in holding artworks.

Citibank's service begins at \$30,000 per year for full-time, active collectors, plus transaction fees, which covers the bank's expenses, Mr. Dunlop said. "It's viewed as a service that distinguishes us from most other private banks. Very few others have this kind of service at such a high level."

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THE MONEY REPORT

In the Leisure Industry, Cruises and Casinos Work

By Philip Crawford

THE leisure industry traditionally gets a boost when the summer vacation season shifts into full swing, and analysts say that this year should be no different. But with many companies seeking a deeper, less seasonal stability to carry them into the next century, the trend in the sector is toward expansion, both domestically and internationally.

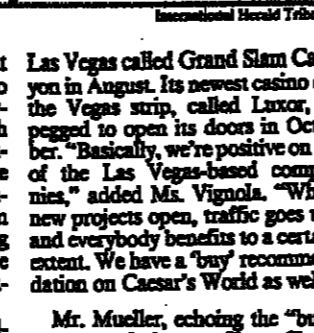
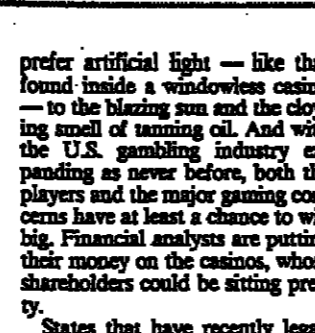
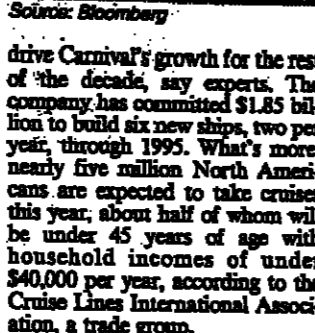
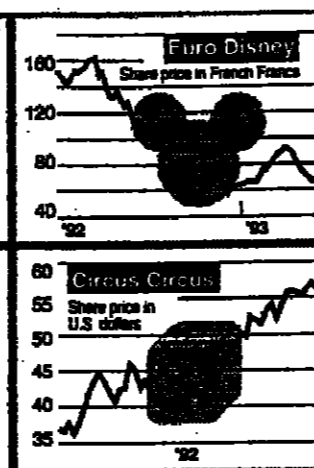
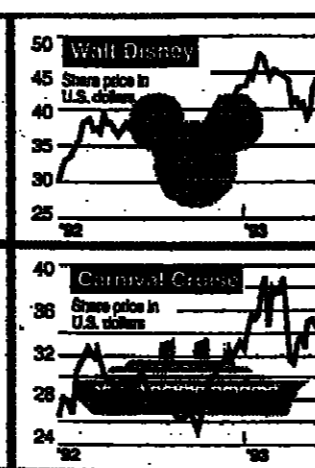
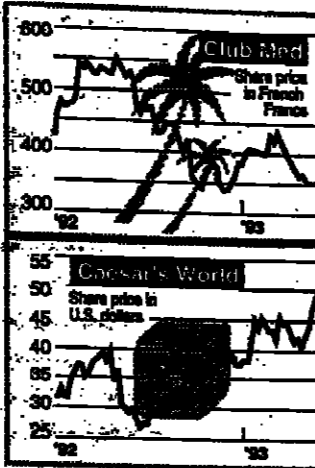
Club Méditerranée SA, the French company that pioneered the mass-market packaged holiday, is looking to Asia, for example, to bolster its wavering bottom line. Cruise ship concerns such as Carnival Cruise Lines Inc. mind that the floating holiday is perceived by millions as financially out of reach. It is adding new capacity and marketing their affordability.

Gaming companies such as Las Vegas-based Circus Circus Enterprises Inc. are poised to open new casinos, as the somewhat rigid U.S. attitude toward gambling softens, and more states move to legalize it and profit from it. Even beleaguered Euro Disneyland SCA and its hovering parent, Walt Disney Co., are proceeding full speed ahead with the second phase of the French theme park's development.

The uptick for investors, say analysts, is several companies in the sector that look like good buys and a few others that should be approached with more caution.

Miami-based Carnival Cruise Lines, which operates 19 passenger ships under four brand names — Carnival, Holland America, Windstar, and Seabourn — is favored by market watchers, many of whom attribute the company's growth of 8 percent last year to shrewd discounting amid an oversupplied market.

But with demand expected to outpace supply, it is the addition of even more capacity that should



drive Carnival's growth for the rest of the decade, say experts. The company has committed \$1.85 billion to build six new ships, two per year, through 1995. What's more, nearly five million North Americans are expected to take cruises this year, about half of whom will be under 45 years of age with household incomes of under \$40,000 per year, according to the Cruise Lines International Association, a trade group.

"Carnival is well-positioned to dominate the industry," said Michael Mueller, a leisure industry analyst with Montgomery Securities in San Francisco. "Only 5 percent of the U.S. population has taken a cruise and even fewer Europeans have. There's enormous growth opportunity. Carnival sits in the sector and a very savvy management team. Over the next five to ten years, you're going to see them going after more of the U.S. market, and going increasingly global as well."

Royal Caribbean Cruises Ltd., which floated its initial public offering in April, is also expected to do well for shareholders, some analysts noted.

Of course, there are many people with leisure dollars to spend who

prefer artificial light — like that found inside a windowless casino — to the blazing sun and the cloying smell of tanning oil. And with the U.S. gambling industry expanding as never before, both players and the major gaming concerns have at least a chance to win big. Financial analysts are putting their money on the casinos, whose shareholders could be sitting pretty.

States that have recently legalized at least some form of casino gambling include Illinois, Iowa, South Dakota, Colorado, Mississippi and Louisiana. Some major gaming concerns, moreover, are poised not only to enter the new markets, but also to expand their facilities in Las Vegas or Atlantic City, the two U.S. gambling capitals. Of those companies, experts think Circus Circus is the best bet.

"Circus Circus's stock has been beaten up a bit, and they've had a management shift, but second-half prospects are excellent," said Marg Vignola, a leisure industry analyst with Salomon Bros. in New York. "We think it will continue to outperform. The company also has two new facilities due to open within the year."

Indeed, Circus Circus has plans to open a new amusement park in

Las Vegas called Grand Slam Canyon in August. Its newest casino on the Vegas strip, called Laxar, is pegged to open its doors in October. "Basically, we're positive on all of the Las Vegas-based companies," added Ms. Vignola. "When new projects open, traffic goes up, and everybody benefits to a certain extent. We have a 'buy' recommendation on Caesar's World as well."

Mr. Mueller, echoing the "buy" recommendations on Circus Circus and on Caesar's World Inc., another major U.S. gaming concern, said that the current industry expansion may be only the beginning. "A significant segment of the U.S. population is not serviced by gambling at all," he said. "Most of the Midwest and lots of the South are still completely untapped. I think we're in the early stages of this growth cycle."

Meanwhile, things seem less suspicious for Club Méditerranée, which operates over 200 hotels, clubs and resorts worldwide. The company is looking increasingly to the Far East and Asia for expansion, as evidenced by new ventures in southern China and in Vietnam. Club Med's president, Gilbert Trigano, has himself said that China, with its 1.1 billion people, repre-

sents the world's next major tourist market. But analysts remain reticent. "We're sellers of their shares," said Anita Hibbert of Smith New Court Securities in London. "The earnings forecast isn't very positive, and I suspect we haven't seen the worst of the recession in France. Plus, management has been a little sleepy."

Analysts also say that there is no spectacular news for investors in what is perhaps the most highly visible resort concern in the world, Walt Disney Co., nor in its struggling offspring, Euro Disneyland SCA.

"We downgraded Walt Disney Co. from a 'buy' to a 'hold' just after Euro Disney's second-quarter earnings were announced," said Ms. Vignola of Salomon Bros. "Euro Disney has been much more of a psychological and earnings drag on the parent company than we thought it would be. We're also generally cautious on consumer confidence, and that's the key for these parks."

Euro Disney, which is 49 percent owned by Walt Disney Co., reported a \$204 million loss for the first half of fiscal year 1993.

Dennis McAlpine, who tracks Walt Disney Co. for Josephthal Lyon & Ross in New York, said he rates the company a "hold" as well. "The Stateside recovery is very shaky," he said, "and it remains to be seen whether the French will ever adopt Mickey."

Shares in Euro Disney SCA, which are traded independently on the Paris Bourse, are also seen as in a limbo of sorts by analysts.

"We're holders of Euro Disney," said Ms. Hibbert. "They've got to do something dramatic. Their financial structure is untenable, at best. Even under optimal operating margins, they still don't make a profit because of high interest payments and high lease expenses. They say they're going to do some refinancing, and we're waiting to see what happens with that."

May Market Scoreboard

Best Performers			Worst Performers		
Price May 29	% Change		Price May 29	% Change	
34.25	37.0	Zenith Electronics	4.00	-20.0	NI Industries
34.25	34.3	Lotus Development	24.00	-18.7	USG
8.88	34.0	MA-COM	24.50	-15.2	CB Industries
21.88	29.6	Amex	22.50	-14.7	Puget Industries
8.75	27.9	Battle Mountain Gold	20.00	-13.9	Chrysler Credit Corp
11.75	27.0	Human Health Plans	22.00	-12.4	Barton
22.25	23.5	Tele-Communications A	35.50	-11.1	Yieldco
22.75	23.0	Tele-Communications B	35.50	-11.1	Jungo
3.58	22.7	Tele-Communications C	35.50	-11.1	Armstrong World Ind
14.25	22.6	Tele-Communications D	35.50	-11.1	Comcast
532.00	18.6	Financial Services	35.50	-11.1	Harold Volz
508.00	15.1	Adair	35.50	-11.1	Delecta
158.70	12.3	Delecta	35.50	-11.1	Fag Kugelschreiber
580.00	12.2	Delecta	35.50	-11.1	Delecta
270.00	11.9	Delecta	35.50	-11.1	Delecta
158.00	11.8	Delecta	35.50	-11.1	Delecta
122.00	10.7	Delecta	35.50	-11.1	Delecta
1065.00	10.6	Delecta	35.50	-11.1	Delecta
1140.00	8.1	Delecta	35.50	-11.1	Delecta
708.00	4.0	Delecta	35.50	-11.1	Delecta
480.00	3.6	Delecta	35.50	-11.1	Delecta
380.00	3.0	Delecta	35.50	-11.1	Delecta
590.00	2.7	Delecta	35.50	-11.1	Delecta
1000.00	2.2	Delecta	35.50	-11.1	Delecta
285.00	2.0	Delecta	35.50	-11.1	Delecta
495.00	1.8	Delecta	35.50	-11.1	Delecta
748.00	1.5	Delecta	35.50	-11.1	Delecta
898.00	1.0	Delecta	35.50	-11.1	Delecta
857.00	0.6	Delecta	35.50	-11.1	Delecta
8.88	36.7	Delecta	35.50	-11.1	Delecta
3.25	28.9	Delecta	35.50	-11.1	Delecta
2.95	21.0	Delecta	35.50	-11.1	Delecta
2.05	18.8	Delecta	35.50	-11.1	Delecta
1.10	18.4	Delecta	35.50	-11.1	Delecta
1.84	14.8	Delecta	35.50	-11.1	Delecta
3.10	13.1	Delecta	35.50	-11.1	Delecta
4.28	13.8	Delecta	35.50	-11.1	Delecta
7.25	13.6	Delecta	35.50	-11.1	Delecta
1.85	12.2	Delecta	35.50	-11.1	Delecta
499.00	57.4	Delecta	35.50	-11.1	Delecta
263.00	29.9	Delecta	35.50	-11.1	Delecta
280.00	28.5	Delecta	35.50	-11.1	Delecta
519.00	26.8	Delecta	35.50	-11.1	Delecta
485.00	26.8	Delecta	35.50	-11.1	Delecta
607.00	21.9	Delecta	35.50	-11.1	Delecta
6170.00	18.8	Delecta	35.50	-11.1	Delecta
388.00	18.7	Delecta	35.50	-11.1	Delecta
639.00	18.6	Delecta	35.50	-11.1	Delecta
688.00	18.5	Delecta	35.50	-11.1	Delecta

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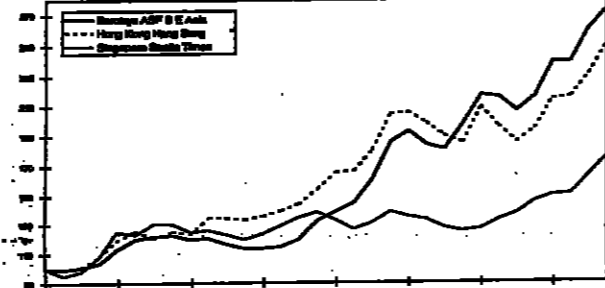
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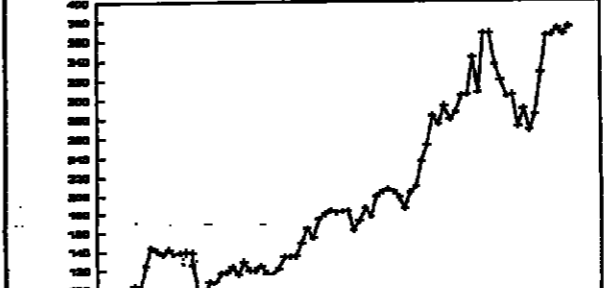
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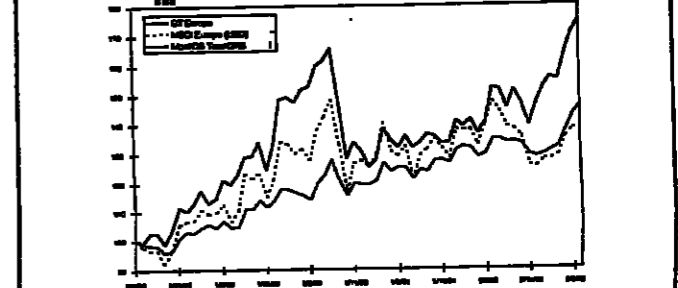
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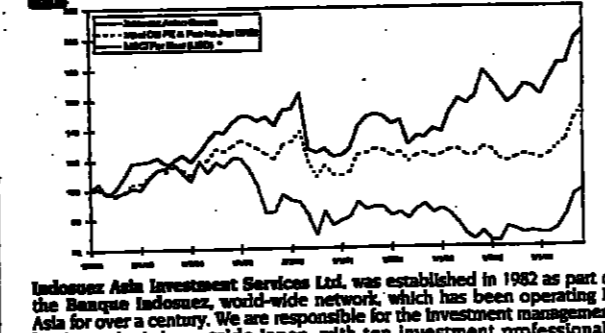
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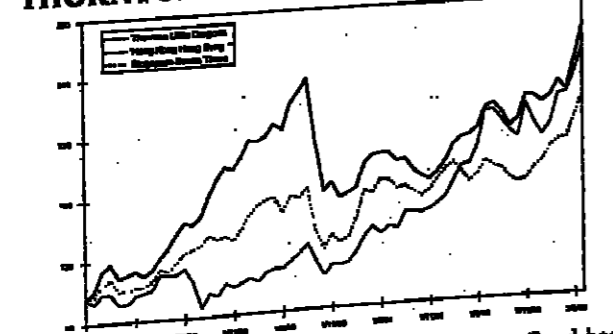
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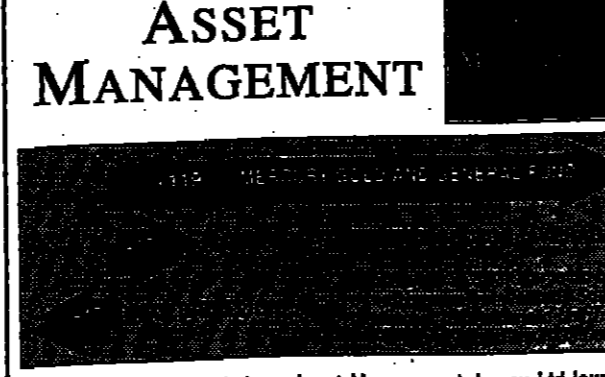
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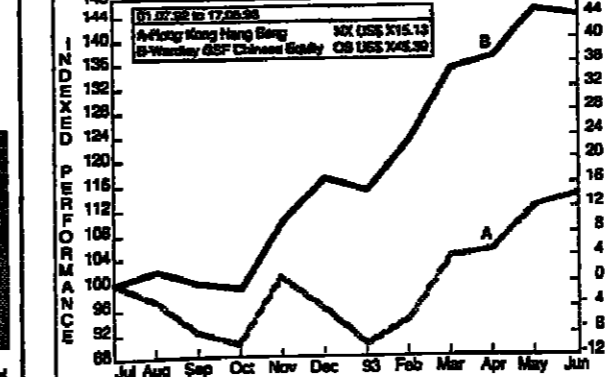
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SPORTS BASKETBALL

As Barkley Goes, So Go the Suns — Into Decisive 7th Game

Phoenix Star Sputters as Sonics Tie Series in 118-102 Victory

By Tom Friend
New York Times Service

SEATTLE — Charles Barkley shot his mouth off, but he did not shoot the basketball much on Thursday night. He groused at referees, slammed a ball halfway to the rafters, incited fans and made no redeemable contribution to the Phoenix Suns. Maybe he was saving his aching body for a deciding seventh game in this Western Conference final, which is exactly what he has on his hands.

On Thursday evening, the Seattle SuperSonics were the more stolid team, a rarity for a club coached by demonstrative George Karl, and delivered an emphatic 118-102 victory at the Seattle Center Coliseum.

The technical was consequential, at that.

The Suns had stayed close to the Sonics, overcoming a 9-point deficit to lead, 35-31, and then fell behind 53-46 on Perkins' rainbow 3-pointer. There was 2:30 remaining in the half, and Phoenix clearly had no reason to fret.

But Barkley, maneuvering inside after an offensive rebound, was whistled by the referee, Darril Garretson, for illegally thrusting a forearm. Barkley has never been a fan

of the Garretson family, and when he had heard that Garretson's son, Ron, was refereeing Game 4 of this series, he shouted, "Oh no." So, when Garretson called him for the foul on Thursday, he was boiling mad and did not hide it well.

He reacted by slugging the ball on the court, and letting it bounce a high up.

Garretson called the technical, and while Pierce swished the free throw, Barkley never let up on the referee. He glared and barked at

Garretson and might have come close to being ejected.

Worse, Barkley is the Suns' team leader and he was obviously setting no calm example for the troops. The Sonics proceeded to go on an 8-0 tear after the free throw to lead, 61-46. Perkins unloaded another 3-pointer and Derrick McKey had free space for a layup.

Kevin Johnson and Barkley notched two baskets at the tail end of the half, but the Suns were down by 11 at the break.



The Sonics' Ricky Pierce fired a pass past Charles Barkley, who had only 13 points in the Suns' loss.

Illegal Stick Costs Kings Series Lead In Montreal

The Associated Press

MONTREAL — The Montreal Canadiens really stuck it to the Los Angeles Kings this time.

"We got a lesson tonight. Obviously, we'll have to watch stuff like that throughout the series," the

STANLEY CUP

Kings coach, Barry Melrose, said after an illegal stick infraction cost his team a game in the Stanley Cup finals.

The Kings and Canadiens headed back to Los Angeles for Saturday's Game 3 of the finals, tied 1-1 following Montreal's 3-2 victory in overtime Thursday night.

Eric Desjardins scored three goals in a record performance for a defenseman in the finals. But it was largely overshadowed by the call against Los Angeles' Marty McSorley for using an illegal stick.

"We suspected it," Demers said. "We didn't have sticks like that. I asked my players and they said his stick was illegal."

If baseball is a game of inches, then this hockey game was a game of a quarter-inch (about a centimeter). That's how much McSorley's stick blade was curved over the limit allowed.

Demers pointed out the infraction to the referee, who had the stick measured. Under NHL rules, the blades of sticks can only be curved up to a half-inch. Brian Lewis, director of officiating, said the blade was curved "a good quarter-inch" over the limit.

McSorley's blade would not have come into play except for the propitious moment. The Canadiens were trailing 2-1 with 1:45 left and were a desperate team.

"We were dead. We didn't want to go down 2-0" in the series, Demers said. "I never like to embarrass a man who has so much pride like Marty. I just do my job. We didn't have a choice. We just did what we had to do."

With Los Angeles down a man because of the penalty, Demers pulled goalie Patrick Roy to give the Canadiens a two-man advantage. Desjardins's slap shot from the right point with 1:13 left in regulation tied the game at 2. It was Montreal's first power-play goal after an 0-6-32 slump.

What happened thereafter was even more exciting for Desjardins. It took him only 51 seconds of the overtime period to beat Kelly Hrudey with the winning goal. He first shot west of the backboards. The puck bounced out to Benoit Brunner, who passed it back to Desjardins, who beat Hrudey with a shot from the lower right circle.

Desjardins became the first defenseman in NHL history to record a hat trick in the Stanley Cup finals. Desjardins started the scoring with a blast from the left point at 18:31 of the first period. That Montreal lead lasted until 5:12 of the second, when Dave Taylor scored shorthanded goal from the right circle. The tie lasted until 8:32 of the third when Pat Conacher scored from in front on a backhand.

NBA Is 'Looking Into' Jordan

Compiled by Our Staff From Dispatch

DEERFIELD, Illinois — The National Basketball Association said it has begun looking into allegations made in a book by a San Diego businessman that Michael Jordan was paying off a golf debt of \$300,000 that once rose as high as \$1.25 million.

Brian McIntyre, NBA vice president of public relations, said the league was taking a closer look at the claims made by Richard Esquinas in his book, "Michael & Me: Our Gambling Addiction ... My Cry For Help."

"I wouldn't characterize it as a formal investigation, but we're looking into it," McIntyre said Thursday in New York.

Esquinas, 38, the former general manager of the San Diego Sports Arena, alleged that he and Jordan wagered hundreds of thousands of dollars during their four-year relationship.

Jerry Krause, the vice president of basketball operations for the

Bulls, said that he was unaware of the specifics of the allegations, but that he would not allow the accusations to interfere with his team's drive toward a third consecutive championship.

Jordan refused to respond to the accusations. He has not spoken with reporters for seven days, after having aggressively denied another gambling-related report a week ago.

At that time, in response to a published report of a late-night and early morning trip to Atlantic City between Games 1 and 2 of the Knicks series, Jordan approached Krause and Coach Phil Jackson to maintain that he had been back in his Manhattan hotel room by 1 A.M.

But Thursday, according to a teammate, Scott Williams, Jackson, in a team meeting, raised the issue about the Esquinas book.

"Phil just asked him point-blank," Williams said. "Michael just shook his head. He seemed to

shrug it off like it wasn't true."

"Right now," said Krause, "the only issue in this organization in the near future is winning a basketball game tomorrow night and getting on back to the NBA finals."

Game 6 of the Eastern Conference final series, which the Bulls lead, 3-2, was to be played Friday night at Chicago Stadium.

The book was published for release later this month by a San Diego company owned by Esquinas. He maintained that within a 10-day period in September 1991, he transferred a debt to Jordan of more than \$200,000 to winnings of \$1.25 million. According to the book, the figure was negotiated to \$300,000, two-thirds of which has been paid.

Esquinas denied that he had written the book to force Jordan to pay.

"It has nothing to do with the settlement issue," he said. Settlement talks with Jordan were "open," he added. (NYT, LAT, AP)

Expos' Martinez Turns Out to Be a Sore Winner

The Associated Press

It was hard to tell that Dennis Martinez was pitching in pain.

Martinez hurled a five-hitter as the Montreal Expos beat the Chicago Cubs, 7-1, on

McGriff and Phil Plantier hit two-run homers for San Diego, which scored seven runs in the fourth inning. McGriff hit his 11th homer in the first and Plantier hit his seventh in the third against Pete Smith. The Padres then sent 12 batters to the plate in the fourth, getting five hits and three walks and benefiting from two run-scoring wild pitches.

Cardinals 9, Reds 2: In Cincinnati, Hector Villanueva homered and drove in five runs, and Paul Kilgus won for the first time since 1989. It was the third straight loss for the Reds, who are 5-5 since Davey Johnson replaced Tony Perez as manager.

Padres 2, Giants 1: In San Francisco, hot-hitting Orlando Merced had three hits and an RBI for Pittsburgh. Merced has

seven hits in his last 16 at-bats. Pirates starter Denny Neagle limited the league's best-hitting team to one hit in five innings. But he seemed to tire in the sixth, giving up a one-out double to Darren Lewis and walking Robby Thompson. With runners at first and third, Dave Ott came on to face Will Clark, whose groundout drove in Lewis to cut Pittsburgh's lead to 2-1.

17-Year-Old Goes To Mariners as Top Draft Pick

The Associated Press

NEW YORK — If Alex Rodriguez is even almost as good as Ken Griffey Jr., the Seattle Mariners will be happy with the way they used their top choice in baseball's amateur draft.

"We just decided to roll the dice and go with a position player," Roger Jongsomjit, the Mariners' vice president of scouting and player development, said Thursday after making the pick. "There's a certain risk factor in taking a high school kid, that we're well aware of."

The last time Seattle selected first was in 1987, when they took Griffey, now a three-time all-star.

"I'm not setting a timetable on my game," said Rodriguez, 17, a shortstop from Westminster Christian High School in Miami. "I'll just play hard every game. I'll let managers tell me when I'm ready to go up."

Rodriguez hit .505 with nine home runs, 36 RBIs and 35 stolen bases in 93 at-bats this season.

Darren Dreifort, a right-handed pitcher for Wichita State, was taken second by Los Angeles. A record 18 pitchers were selected in the first round, including seven of the first 10 picks.

NL ROUNDUP

Thursday night. Despite a sore rib cage, Martinez struck out a season-high six batters and got his 19th career victory.

"It's painful, really sore," Martinez said. "I felt it with about five minutes left in my warmup. I felt discomfort out there, but it allowed me to stay back and not over-throw. It made me concentrate a lot."

The victory gave Martinez his first two-game winning streak of the season.

"Lately, I've been going out there feeling I have a chance to win," he said. "Things are going my way and the ballclub's way. Earlier in the season, I hadn't been doing my job."

Moises Alou, mired in a 5-for-50 slump, hit a three-run homer for the Expos.

A throwing error by Cubs shortstop Jose Vizcaino led to three Montreal runs in the third inning. After Mike Lansing singled and stole second, Delino DeShields walked and Lou Frazier hit a ball to Vizcaino, who threw the ball over second baseman Ryne Sandberg's head on an attempted force play.

Lansing followed on the play and Marquis Grissom scored with a two-run single.

Padres 12, Braves 4: In Atlanta, Fred

Leiter's 5-Hitter Tames White Sox

The Associated Press

It was a bittersweet moment for Mark Leiter.

He was being congratulated for pitching Detroit's first complete game since last September. But there was a little tug in his heart for his pals Mike Henneman and Bob MacDonald, who had warmed up in the Tigers' bullpen Thursday night in Detroit.

Leiter's five-hitter, with home-run help from Mickey Tettleton and Lou Whitaker, carried Detroit past Chicago, 5-3.

"I'll tell you, pitching a complete game really didn't mean a thing to me," Leiter said. "At least not right now. That's because I was a reliever. I know how it is to be warmed up in the bullpen and wanting to get in the game."

Leiter was making his sixth start in 14 appearances this season. He began the season in the bullpen and came out on an emergency start April 27 at Kansas City.

After three more relief stints, he went into the rotation to stay.

He is 4-0 in his five starts since that night in Kansas City when Bill Krueger pulled a hamstring.

"When Mark went back in the rotation, he was in," said Detroit manager Sparky Anderson, who was ejected in the third inning for arguing with plate umpire Dale Ford. "It wasn't just a fill-in."

The Tigers bailed a three-game losing streak, increased their AL East lead to one game and stopped a seven-game skid against the White Sox at Tiger Stadium.

With the score tied at 3 in the Detroit sixth, Kirk Gibson doubled and Tettleton drew an intentional walk. Alan Trammell singled home Gibson and Chad Kreuter

single Tettleton in for a 5-3 Detroit lead.

Royals 6, Brewers 5: George Brett hit his fifth home run of the season as Kansas City spoiled Mike Boddicker's return to Royals Stadium and gained sole possession of first place for the first time in six years.

Boddicker was traded from Kansas City to Milwaukee on April 27.

The Royals moved a half-game ahead of idle California in the AL West.

Boddicker, who gave up six runs and eight hits in 4 2/3 innings. He is winless in four starts since May 14.

Mark Gardner got the victory, giving up four hits and five runs in 5 1/3 innings.

Jeff Montgomery got the last three outs for his league-leading 18th save.

The Royals moved a half-game ahead of idle California in the AL West.

"It's nice to be in first, but it's even nicer that we're playing well," Montgomery said. "This club is starting to come together."

AL ROUNDUP

Anderson, who was ejected in the third inning for arguing with plate umpire Dale Ford. "It wasn't just a fill-in."

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With the score tied at 3 in the Detroit sixth, Kirk Gibson doubled and Tettleton drew an intentional walk. Alan Trammell singled home Gibson and Chad Kreuter

DENNIS THE MENACE



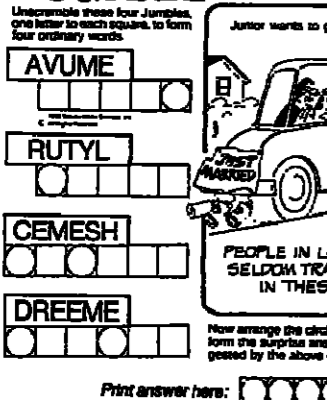
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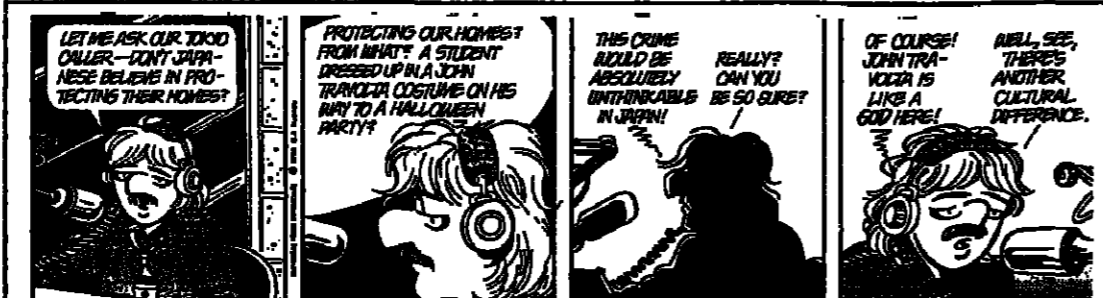
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SPORTS FRENCH OPEN

Bruguera Storms to Final Showdown With Courier Spaniard Routs Medvedev, Krajicek Falls

By Ian Thomsen

PARIS — Sergi Bruguera does one thing, and he does it on one surface, and afterwards he has almost nothing to say about it. In person he appears one-dimensional. On Friday, he looked entirely focused, as he began to prove that there is more to him than an interview reveals.

If the two favorites have their way, the French Open final weekend will be one-sided and dull. On Saturday, he will lead Steffi Graf of Germany to win her 12th Grand Slam title, facing Mary Joe Fernandez, the American No. 1, who just recently learned to attack. She is 0-10 lifetime against Graf.

On Sunday, No. 2 ranked Jim Courier can win his third successive French Open against the 22-year-old Bruguera. He is 0-4 against Courier, with little of the American's experience.

Medvedev had been the clay season's best performer this year, with a 3-0 lifetime record against Bruguera, all on clay.

"I definitely know that he has got a game to beat Jim," Medvedev added. "The way that Jim plays, you can't really say who is going to win. Definitely, it could be a great match, but it pretty much depends on the mental concentration and luck, because it's a final, and you never know what will happen."

The player who in the opening set of his quarterfinal had stomped Stefan Edberg, 6-0, was himself shut out Friday by Bruguera. It took Medvedev 28 minutes to win his first game. His hopes sailed out of bounds along with his reckless overhead on break point, giving the tight second set to Bruguera.

Bruguera is 67-16 on clay these last two years, 16-19 on other surfaces. All seven of his career titles are on clay, and he has won 24 of his last 25 sets on clay. His six opponents have been unable to match his patient efficiency, averaging 49 unforced errors per match, as opposed to only 18.2 by Bruguera.

"I wasn't ready for the speed that he gave me," Medvedev said. "He is hitting the ball, and the ball comes faster and faster, and more and more speed. To beat Sergi today I had to play great tennis with unbelievable loss of winners."

Medvedev had been the clay season's best performer this year, with a 3-0 lifetime record against Bruguera, all on clay.

"I definitely know that he has got a game to beat Jim," Medvedev added. "The way that Jim plays, you can't really say who is going to win. Definitely, it could be a great match, but it pretty much depends on the mental concentration and luck, because it's a final, and you never know what will happen."

Courier has won 20 consecutive matches in this tournament. If he lacks the momentary heat of Bruguera then Courier can be expected

to be steady, given the experience of five Grand Slam finals behind him.

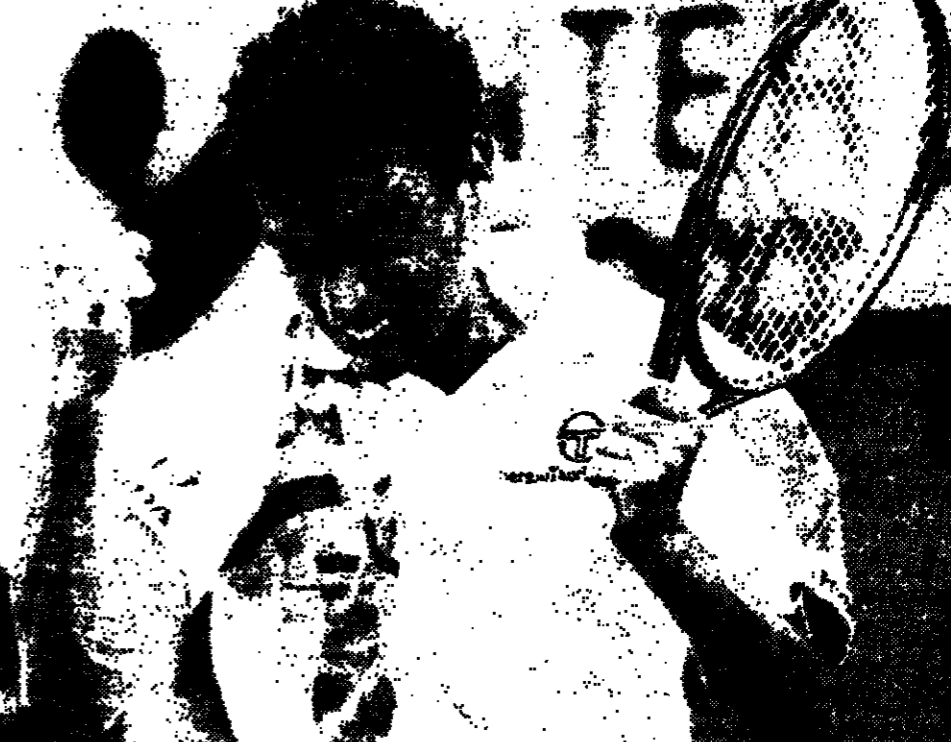
His semifinal opponent gave a typically incongruous performance. Krajicek appeared discouraged within a half-hour, relinquishing the last five games of the opening set, and giving up serve again midway through the second.

In between points he walked aimlessly, swinging at the air, tossing his racket, and trying once to intimidate the net judge, of all people, glowering over him in his chair.

The stands were not filled until the last set. This is because the public cannot be fooled. Krajicek looked as though he would rather be bowling. The flags waved back and forth in the heavy gray sky like 3 A.M. dancers. Predictably, efficiently, Courier was serving for the second set.

Then, as if dreaming of a telephone and awakening to hear it ringing — a bridge appeared out of the goldrums. Courier was doubling-faulting long. The crowd was snapping alive, applauding the sight of a break point for Krajicek. He passed Courier with a backhand down the line, pulling even at 5-5 and setting Krajicek up to win the tiebreaker.

Later, when Courier was reminded that he has lost the second set in each of the last four matches, he responded, "Yes, but I always win the fourth set."



A jubilant Sergi Bruguera after his straight-set semifinal victory over Andrei Medvedev on Friday.

to shoulder injury forced his withdrawal from the Australian semi-finals last year against Courier — Krajicek gathered his abilities only when he had no choice.

At 22, that bodes good and bad for him. He was down three game points in the third set when he struck a John Daly forehead return

at Courier's legs. Bowing to Krajicek, Courier measured the ball mark: a foot long.

"Hardest I've ever been on the court with," Courier said. "And I've hit a few myself. But that was unbelievable."

Courier proved able to return Krajicek's serve, extending the

points until the Dutchman had run out of options. All that was left for him in the fourth was to demand that a spectator put out his cigar.

"Did you see smoke coming up at the back?" Krajicek said. "At the beginning I was smelling it. I can't believe it. Just the fact, if you cannot smoke for three hours, that is pretty sad, I think. Step out and smoke it there, if you are so — yeah, if you are so addicted to smoking."

Krajicek is new to Europe? He is from the Netherlands. Does he tell them to put out their hashish pipes in Amsterdam?

"I can vouch," Courier said. "It isn't very comforting to be breathing cigar smoke when you're playing."

This time last year, Courier was preparing his victory speech in French. Has he been rehearsing lately?

"No, I am just trying to prepare for the match," he claimed. We'll find out Sunday.

NEWS SINGLES
Jim Courier (2), Dede City, Fla. def. Richard Krajicek (12), Netherlands, 6-4, 7-6, 6-2. Sergi Bruguera (1), Spain, def. Andrei Medvedev (11), Ukraine, 6-4, 6-2.

WOMEN'S DOUBLES
Semifinals
Larrie Neiland, Latvia, and Jana Novotna (2), Czech Republic, def. Arantxa Sanchez-Vicario and Ines Gironcello (13), Argentina, 6-4, 6-1, 7-5.

MIXED DOUBLES
Semifinals
Elio Ribero and Peter Wiser (7), South Africa, def. Elizabeth Smylie, and John Fitzgerald (4), Australia, 6-4, 3-6, 6-2. Eusebio Hernandez and Andrei Chiriac (11), Russia, def. Brenda Schultz, Netherlands, and Murray Jenson, United States, 7-6 (7-7), 7-4 (7-2).



Jim Courier lost the second set Friday, then powered into the final.

U.S. Warm-Up for '94 Cup

4-Team '93 Soccer Tournament Is Test for Organizers

WASHINGTON — The countdown to 1994 begins on Sunday with the start of the four-nation U.S. Cup '93, a dress rehearsal for the first soccer World Cup to be staged in the United States.

Brazil, England and Germany, winners of seven World Cups between them, will join the U.S. team for the two-week, six-match event, in which four of the five venues are 1994 World Cup sites.

Preparations for media, security and stadium operations will all come under scrutiny, as will the sport's popularity with American fans.

The biggest test for the organizers will come with the closing match on June 19, when England and Germany play the first full international match to be held indoors.

The game will be played on the new turf installed in the Silverdome in Detroit.

The tournament opens Sunday, when the United States meets Brazil at the Yale Bowl in New Haven, Conn. The only U.S. Cup venue that will not be used in 1994.

The tournament will also give the U.S. manager, Bora Milutinovic, a chance to gauge the strength of his young team.

The trip to the United States could prove to be the last for Graham Taylor's England squad, which is in danger of missing out on next year's tournament after losing 2-0 to Norway on Wednesday.

John Barnes may be absent as he tries to return to optimum fitness and the midfielder Paul Gascoigne will be joining the squad late after his Italian club Lazio's June 6 clash against Juventus.

Lazio will be hoping to guarantee a UEFA Cup berth for next season.

Brazil's 16-man squad includes the European stars Careca, Branco and Dunga, the goalkeeper Claudio Taffarel and defenders Julio Cesar and Jozyinho.

The manager, Carlos Alberto Parreira, will have to do without the forwards Rai, who is still injured in club play in Brazil, and Bebeto, who is injured.

Ulf Kirsten, the top scorer in the Bundesliga and the midfielder Thomas Häßler will be missing from Germany's squad, along with the forward Andreas Thom and the defender Christian Woerns.

Manager Berti Vogts will be counting on an inexperienced midfielder, Christian Ziege of Bayern, who Vogts called "the most improved player of the year."

In its attack, Germany will rely on Karsten Riedle and Bruno Labbadia, one of five players from Bayern Munich.

Baker Takes 3-Shot British Masters Lead

WOBURN, England — Peter Baker of Britain, earmarked for stardom by Nick Faldo five years ago, showed that he could still make it with a course-record-equaling eight-under-par 66 in the British Masters on Friday.

The Englishman, 25, shot 180 as he snatched a three-stroke lead over a pair of Northern Ireland players, David Feherty and Ronan Rafferty, with the lowest score of his tour career and a 13-under-par halfway total of 131.

Meanwhile, Faldo, the world's top-ranked player, fell out of contention by hitting two drives out of bounds in a quadruple-bogey nine at the last hole.

Baker's only previous European PGA Tour victory was in the 1988 Benson and Hedges International at Fallowood, where he eagled the final hole to force a playoff with Faldo and then called it again to win when the playoff began.

That prompted Faldo to declare, "Peter's the guy we've been looking for — the best young professional in Britain."

But then Baker developed a swing problem and lost confidence trying to correct it.

"Everything fell in on me," he recalled. "I think all the publicity had an effect and I lost my swing. It became a nightmare."

"Twelfth on the European money list in 1988, he dropped out of the top 100 the next two years and has been 67th and 50th that last two years. So far this year, he is 51st.

On Friday, he provided evidence of his re-emergence, his eagles coming on a three-wedge to 15 feet (4.5 meters) on the 510-yard fourth hole. A five-foot ground-swinging drive to within four feet of the flag at the 510-yard 10th.

Faldo might have been singing his praises again but for his collapse from seven under to three under at the 18th.

His first drive rolled out of bounds by about a yard, but the second hooked even more and he knew instantly he would have to hit a third tee shot.

Rafferty added a 66 to his opening 68, highlighted by a 30-foot eagle putt on the fourth.

"I was all out of sorts with my swing and missed several greens, but managed to save par each time," he said.

Feherty, joint first-round leader with France's Jean Van de Velde, did not drop a stroke and birdied the last to join Rafferty.

Van de Velde stayed in touch with a 71 to share 11th place with Bernhard Langer, the U.S. Masters and British PGA champion, who shot a 67.

Tony Jacklin, the former British and U.S. Open champion and European Ryder Cup captain who began with a 67, survived the halfway cut with nothing to spare after crashing to an eight on the 563-yard 13th.

He finished with a 76 and is now 12 shots behind an one-under par.

In Dublin, Ohio, Davis Love III and Donnie Hammond led the parade of golfers taking advantage of perfect scoring conditions at Merfield Village and shared the lead at the Memorial Tournament after one round on Thursday.

Love and Hammond stood at six-under-par 66, one shot ahead of eight players, including Fred Couples, John Cook and Jumbo and Joe Ozaki.

Six players were two shots off the lead at 68, including Greg Norman and Paul Azinger.

Rain on Wednesday softened the greens, and there was no wind on Thursday to hinder the players from shooting at the flagsticks.

Love's 66 was his best round of the year so far. After winning the Tournament of Champions in January, he has been struggling with his game.

Love, who made no bogeys, drove well, missing three fairways but each time landing just in the edge of the rough. Although he missed two birdies inside four feet on the front nine, he made six birdies counting three from the five-foot, and the others between 15 and 20 feet.

Hammond had the best stretch of holes on the front nine with five successive birdies on holes three through seven.

Sharp iron play set up those birdie putts, all of which were less than nine feet in length. The longest putt Hammond made was a 25-footer for par on the par-four 13th.

SIDELINES

Marseille Bribe Case to Go to Court

PARIS (AFP) — The French football league said Friday that it would begin legal proceedings against Olympique Marseille, the European Champions' Cup winner, following bribery allegations against the club.

Marseille, which won its record fifth French championship this season, was accused of illegally approaching an opposition player before its first division match against Valenciennes on May 20. A Valenciennes player, Jacques Glassman, said that he had received a phone call from a Marseille official, Jean-Pierre Bernes, before the game, which Valenciennes lost, 1-0.

The French league's president, Noël Le Graet, said legal proceedings would be necessary in order to "shine as much light onto the affair as possible."

Navratilova Exacts 6-3, 6-1 Revenge

BECKENHAM, England (Reuters) — Martina Navratilova exacted sweet revenge on her fellow American Linda Harvey-Wild to sweep into the final of the Wimbledon warm-up grass-court championship here Friday.

Navratilova atoned for her defeat at the hands of Harvey-Wild in Eastbourne a year ago by winning, 6-3, 6-1. Navratilova lost her service in the opening game, but quickly seized control.

In Saturday's final, she will face Kristie Boogert of the Netherlands, who eliminated Kristine Radford of Australia, 6-4, 6-2, in the other semifinal. A victory in the final would be Navratilova's 164th singles title.

UEFA Fines Athletic Madrid Chief

BERN (Reuters) — UEFA, European soccer's governing body, suspended Athletic Madrid's president, Jesus Gil, for six matches on Friday for "improper behavior" toward the referee in the Cup Winners' Cup semifinal against Parma on April 22.

The Spanish club was fined 100,000 Swiss francs (\$69,900) for misbehavior and several Athletic players received match bans for their actions during the match against the Italian club. Parma went on to win the cup, beating Belgium's Antwerp, 3-1.

Athletic players surrounded the German referee in protest after Juan Juanito was sent off for a crude late challenge in the 87th minute.

New Surgery Looms for Van Basten

MILAN (AP) — The Dutch striker Marco Van Basten, still hobbled five months after ankle surgery, may undergo another operation that would sideline the center-forward at AC Milan and the Dutch national team for an indefinite period, officials at the Italian club said Friday.

AC Milan officials said that the 28-year-old player was suffering from hardening of tissues in the operated ankle and feels strong pains when he trains and kicks the ball.

Van Basten, who had surgery on Dec. 21 to remove some cartilage from his right ankle, played two league games and the Champions' Cup final against Olympique Marseille in Munich on his return to action last month. Club sources reported, however, that the Dutch player had been given pain-killing injections before the three matches. A Milan club spokesman said Van Basten would undergo an arthroscopic examination in Antwerp next week.

For the Record

Approximately 300,000 tickets to 44 early-round matches of the 1994 World Cup soccer finals will go on sale to the general public in the United States on June 12 and 13, tournament officials announced on Friday. The tickets will be sold exclusively by telephone in packages for each of the nine venues.

Quotable

Comedian Jay Leno: "If Pete Rose bet on prison softball games, will he be barred from jail for life?"

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE East Division			
Team	W	L	Pct.
Detroit	21	28	.428
Toronto	20	28	.417
New York	20	28	.417
Boston	19	29	.396
Milwaukee	18	30	.377
Baltimore	17	31	.353
Cleveland	16	32	.333

NATIONAL LEAGUE East Division

Team	W	L	Pct.
Philadelphia	26	15	.633
Atlanta	25	16	.610
St. Louis	24	17	.586
Pittsburgh	23	18	.562
Chicago	22	19	.538
Florida	22	20	.524
San Francisco	18	24	.429

Thursday's Line Scores

Team	W	L	Pct.
Chicago	18	22	.448
Detroit	17	23	.426
Los Angeles	16	24	.400
San Diego	15	25	.375
Cleveland	14	26	.348

NBA Playoffs

Team	W	L	Pct.
Phoenix	23	25	.479
Seattle	22	26	.452
Portland	21	27	.436
San Antonio	20	28	.417

TRANSACTIONS

BASEBALL

AL—Unleashed suspension of Albert Belle, Cleveland outfielder, to Seattle Friday.

BOSTON—Activated Mike Greenwell, outfielder, to Boston.

CHICAGO—Signed Jim Byrd, infielder, to Pittsburgh, Ill.

CALIFORNIA—Recalled Russ Springer, pitcher, to Vancouver.

DETROIT—Signed Scott Lewis, pitcher, to Vancouver.

FLORIDA—Signed Brad Niska, catcher, to St. Louis.

INDIANAPOLIS—Signed Steve Scarsone, infielder, to 15-day disabled list.

PITTSBURGH—Signed Steve Scarsone, infielder, to 15-day disabled list.

ST. LOUIS—Signed Brad Niska, catcher, to St. Louis.

TEXAS—Signed Steve Scarsone, infielder, to 15-day disabled list.

YANKEES—Recalled Jeff Johnson, pitcher, to Columbus, 11.

YANKEES—Recalled Jeff Johnson, pitcher, to Columbus, 11.

CRICKET

Second Test
Second Day, Friday in Manchester
England vs. Australia
England, first innings: 202 (8 wickets)

CYCLING

Tour of Italy

Results Friday in the 12th stage, a 234 kilometer (145 miles) stretch from Dossio to Alghero. D. DiMartino (Italy), Gianni Consonni (Italy), and G. Lussignea (Italy) finished in 15-day disabled list.

BASKETBALL

NBA Playoffs

Team	W	L	Pct.
Phoenix	23	25	.479
Seattle	22	26	.452
Portland	21	27	.436
San Antonio	20	28	.417

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International Herald Tribune
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DAVE BARRY

A Hairbreadth of Spray

MIAMI — Today's fashion topic for men is: Hair in a Spray Can. No doubt you've seen the TV commercials for hair-in-a-spray-can on television, wherein they treat balding men's heads with what looks like spray paint, and you've wanted to order this product, but you never got around to it for one reason or another, such as that you're not a complete idiot.

That's where I come in. I called the toll-free number and told the operator I wanted a can of New Hair. She gave me my color options, and I chose Medium Brown. The can cost \$19.95, plus \$9.95 to cover shipping and the extra salary they have to pay the operators for not laughing directly into the phone.

Several weeks later I received my New Hair. It looks exactly like a can of spray paint, except the label says "AS SEEN ON TV," and features "before" and "after" pictures. The "before" picture shows a man's head, viewed from above and behind, the man has a bald spot about the size of a fried egg. The "after" picture shows what appears to be the same man's head after it has been dipped in roofing tar. It looks like a large lump of coal wearing a collar.

The label says New Hair is a "Hair Volume Enhancer With Color" that "works for men and women" who have "fine and/or thinning hair" or "small to medium large bald spots." Accompanying the can of New Hair was a small plastic spray bottle of Hair Finishing Sealant, which you spray on your New Hair to keep it from coming off.

I decided to first test New Hair on myself, although I have a large quantity of hair. This is not necessarily good, because my hair has a severe behavioral disorder. It is the Hannibal Lecter of the hair world. Nobody can control it. It's extremely straight and wants to lie down very flat in a certain genetically fixed pattern that is unfortunately not recognized by the United Nations International Commission on Hairstyles for Growth-Ups.

But I do have a head of hair, which is why I decided to test New Hair on my forearms. I have virtually zero forearm hair, and I have long felt insecure about this, as a male. I spent most of high school staring at my forearms, waiting for hair to sprout.

So I sprayed the New Hair on both forearms, and I have to say the results were amazing. Within seconds my forearms were transformed from looking naked to looking as though I had not washed them in 30 years. They were covered with what appeared to be reddish-brown dirt. It was not an appealing look. You rarely hear women say, "Give me a man with forearm dirt!"

I was able to brush the New Hair right off, because fortunately I had not sealed my forearms. Next I tested the New Hair on the head of my co-worker John Dorschner, who was an ideal subject because (1) the top of his head is down to just a few wisps, and (2) being a professional journalist, he has no self-respect. By the time I had emptied roughly half the can of New Hair onto John's head, he looked as though a professional baseball team had used his head to groom the infield. His scalp looked like my forearms, and his wisps had turned a color usually associated with traffic cones. John chose not to have his head sealed.

The consensus at this point was that, although New Hair was clearly a fine product AS SEEN ON TV, it perhaps was not suitable for use on actual humans. So I decided to test it on Ray Bubbe's car. Ray is another co-worker of mine, and he drives what I believe is the worst-maintained car in North America. It looks like armpit bacteria that grew to 975,000 times normal size and somehow acquired a license plate. It has an advanced case of car leprosy, so there's no point in locking it, because a car thief could easily stick his hand directly through the body.

I sprayed the remainder of the New Hair on Ray's car in an artistic orangeish-brown pattern. I called him the next day. "Did you feel more confident?" I asked. "Did you feel that your car was more attractive to other people such as women?" "I don't know," Ray said. "It was dark."

So we do not have conclusive results on this product. Probably the best thing for you to do is to try it for yourself. Call now! The number is 1-800-STUPID.

Knigh-Riddler Newspapers

James Lee Burke: Cajun Crimebusting

By Ken Ringle

NEW IBERIA, Louisiana — It's a lazy May morning, the kind he writes about with almost painful beauty, and James Lee Burke is knitting down the sun-bright Bayou Teche with his cousin P.R., the twin-outboard slicing dappled shadows beneath moss-bearded live oaks and starting herons from the willow-hung shallows.

In pastures lush from recent rains, quarter horses snort and canter among primroses and black-eyed Susans, and as he flashes through the emerald marsh, past the shrimp boats and trapper cabins of Acadiana, both Burke and the dog seem suspended in a kind of leafy transience, as rich and fragrant as the dewberries ripening on the shore.

It's enough to lift the oft-heavy heart of Dave Robicheaux, the Cajun detective who prowls the same territory in Burke's novels in pursuit of truth, justice and the occasional crawfish pie, and has muscled both the author and his success past the literary wilderness to publishing's major league. "There's nowhere on Earth any longer," Burke says joyfully over the whine of the engines, his weight-lifter's shoulders braced against the cabin top, his big eyes crinkled against wind and sun. "South Louisiana's a goddamn poem!"

Six books into the Robicheaux series, the 56-year-old author is clearly on a roll, pocketing hefty six-figure advances, wowing critics and enthralled readers in a dozen countries from Germany to Japan. "Black Cherry Blues," the third book in his series and Edgar Award winner in the United States in 1990, was named best mystery paperback in France last year. The first printing of his latest book, "In the Electric Mist With Confederate Dead," numbered 75,000 hardcover copies.

And, perhaps inevitably, plans have just been launched to put Dave Robicheaux on the screen. Al Ruddy, producer of "The Godfather," has optioned the second Robicheaux book, "Heaven's Prisoners," for what Burke's film agent calls "heavy six figures" with "very good profit sharing," plus major escalations, should the film generate sequels based on other Robicheaux books, as it's expected to do. Meanwhile, the Cajun detective himself, surely one of literature's best-loved protagonists, is back on the bayous minding his boat-and-bait business with his high school sweetheart Bootsie, protecting his small adopted daughter, Alafair (a Salvadoran he rescued from a burning plane) from assorted malevolence, slouching part time for the

Iberia Parish Sheriff's Department and lifting weights to keep his Vietnam flashbacks and his alcoholism at bay. With his muscular sensitivity, wounded idealism, fierce regional identity and hamned dreams, Dave Robicheaux is clearly an original in his genre, as far removed from the average paperback gumshoe as an oyster poor boy sandwich is from white bread ham and cheese.

He has retreated from the corruption and violence of the city to a simpler world closer both to nature and to his youth, only to find that the culture he was born to is vanishing and the moral ambiguities of our time won't leave him alone. In "Heaven's Prisoners" some of the bad guys are federal bureaucrats on the right side of the law. In "A Morning for Flamingos" he encounters a dozing-father mobster with a handicapped son. "Dave is what I admire most in people," says Burke. "He represents courage. He's ethical. He understands the world of blue-collar people, people who are intricate late but with profound feelings. And he's able to give voice to them. At the same time he's flawed, like the tragic hero — sometimes with pride, sometimes with anger. I guess he's my attempt at Everyman."

In a publishing world that worships brat-punk nihilists, talk-show confessionals and the arid musings of academic navel-gazers, Jim Burke is something of a Hemingway throwback — a man with looks reminiscent of a pugnacious Charles Bronson and a walk and résumé he describes as "sort of Cro-Magnon."

Raised on the Texas-Louisiana coast, the son of an itinerant pipeline worker, he published his first short story at 19, his first novel at 23, but his employment history is studded with the sort of blue-collar jobs aspiring writers once sought out for "life experience." He's been a pipeline in Texas, a truck driver in Kentucky, a land surveyor in Colorado. He's been an oil lease negotiator in Louisiana and a social worker on a teacher row in Los Angeles, not to mention a scribe of English or creative writing at five colleges. However, it wasn't life experience he was after with all those jobs, he insists, it was survival.



Burke, whose Cajun detective prowls in pursuit of justice and crawfish pie.

But he was always writing fiction, he says, even in the most primal of his employment excursions, which was, without question, the months he spent "doodleboggling," lowering and retrieving seismograph sensors and miles of heavy cable by hand from a specially designed boat pitching around off the Gulf Coast.

"A doodlebugger," Burke says with the warm glow of memory, "is the lowest thing not only in the oil field but probably on the planet. If you get rejected by the French Foreign Legion and you've recently had a lobotomy, you qualify." Burke had a fair amount of success as a young writer, publishing three serious hardcover novels to critical praise by the time he was 34, and earning "a six-column layout in The New York Times." He never dreamed of writing crime novels.

But in 1972, unhappy with the treatment of his latest book, he walked away from both his publisher and his agent, and after that "for 13 years I couldn't sell snowflakes in the Sahara." The publishing world was in a massive upheaval triggered jointly by the cultural revolution of the 1960s, the inflation of the '70s and the rise of the chain bookstores, and editors were grabbing in panic for writers who appeared trendy in

New York. Burke appeared anything but. By that time he had returned to teaching, eventually winning tenure at Wichita State University, and continued writing steadily, but his next novel, "The Lost Gumbo Boogie," was rejected, he says, "by 93 publishers. It was in circulation something like 11 years."

PEOPLE

Australian Papers Settle Suit by Fergie's Sister

A long-running legal battle in Australia over newspaper articles about the sister of the Duchess of York was finally settled out of court on Friday, and an appeal by three newspapers owned by the media tycoon Rupert Murdoch of an award to Jane Manning was dismissed. The amount of the settlement was not disclosed. The appeal followed a 1990 Supreme Court jury award of 300,000 Australian dollars (\$200,000) over articles published in the Daily Telegraph, the Sunday Telegraph and The Australian.

Princess Diana's stepmother is said to be spending no expense as she prepares to walk down the aisle for the third time. Raine, Countess Spencer, has booked a luxury hotel near Bath for her wedding to Count Jean-François de Claramont in July and reportedly has told the hotel's press people to prepare for a media onslaught.

The National Black Theatre Festival in Winston-Salem, North Carolina, is honoring Sidney Poitier with its Living Legend Award. Poitier, 66, won an Oscar in 1955 for "Lilies of the Field" which opened doors for black actors and directors.

An interstellar sailor was stopped by the U.S. Coast Guard just as he was beginning an attempt to sail across the Atlantic in a boat about the size of a bath tub. Hugo Vilken, 61, a retired airline pilot, was hoping to break the record for crossing the Atlantic in the smallest sailboat, which he held for 25 years until Tom McManis of England broke it this year. Vilken was stopped on two previous attempts and has decided to try from Newfoundland. Canadian officials "love this kind of thing," he said. "They treat me great."

Dan Quayle will have to line up behind 20 other people if he wants to become a member of the Crooked Stick Golf Club in Indianapolis. And before he takes a swing, he must pay the \$26,900 initiation fee and monthly dues of \$325.

INTERNATIONAL CLASSIFIED
Appears on Page 4

WEATHER

Forecast for Sunday through Tuesday, as provided by Accu-Weather.

Table with weather forecasts for Europe, Asia, Africa, North America, Middle East, and Latin America. Columns include location, today's high/low, and tomorrow's high/low.



Table with weather forecasts for Europe, Asia, Africa, North America, Middle East, and Latin America. Columns include location, today's high/low, and tomorrow's high/low.

THE LAST SHALL BE SEARCHED By Charles M. Deber

A crossword puzzle grid with clues listed on the left and right sides. The clues include words like 'Sudden outpouring', 'Balkic island', 'Scriptural mysticism', etc.

BLUE HEARTS

By Jim Lehrer. 201 pages. \$20. Random House

Reviewed by Herbert Burkholz

CONVENTIONAL wisdom says that the spy novel died with the end of the Cold War, but Jim Lehrer, the co-host of the MacNeil/Lehrer News Hour, says otherwise. As he tells it in his new book, "Blue Hearts," on the day that President Kennedy was assassinated, two junior officers of the CIA were given an awesome assignment. The new president, they were told, wanted to know, and knew quickly, what possible role the Soviet Union might have played in the assassination. Because if the Russians are behind it,

BOOKS

Lyndon Johnson, "I have to get this country ready for war. We cannot let them get away with it. We have to bomb their red asses into red dust." The two officers, Charlie Henderson and Bruce Conn Clark, both members of the agency's Soviet Division, are instructed to prepare an answer for the president within 12 hours. World War III waits in the wings. Thirty years later, both Henderson and Clark are gone from the agency, but in different directions. Henderson has served out a full career with the CIA, and has retired to run the sort of bed-and-breakfast inn in the mountains of West Virginia that serves shad roe and braised quail for breakfast. Clark, on the other hand, has left the agency to embark on a diplomatic career that eventually makes him secretary of state. Now out of

government, he is a Washington consultant who brokers deals and who does the Sunday morning TV talk-show circuit.

This is Lehrer's setting for a story about two aging cold warriors with rusted skills who are suddenly placed in confrontation with each other: Clark wants Henderson dead, or at least so scared that he will keep his mouth shut about the conclusion that they both came to on the day that Kennedy was shot. The former secretary of state has a lot to protect, and he isn't shy about the weapons he is prepared to use. First it's a bomb in Henderson's hotel room, then some fancy tampering with his automobile, nothing fatal, but enough to get the message across. The message received, Henderson goes underground and, using half-emersonian bered tricks of the trade, takes off

after his onetime partner in a dandy little dust of wis.

As might be expected from the news show host, the author knows his Washington and the story rings with authenticity. It is filled with insider gossip, and stocked with a cast of diplomats, defectors and characters who seem to jump out of yesterday's newspapers. Unfortunately, that same authenticity wears thin at times, and there are plot points that are hard to swallow. Why, one has to wonder, were two so junior officers given such a responsible assignment? It's all very crickety, and not very real, but the story moves, even crackles, and entertains.

Herbert Burkholz is the author of 11 books, several of which deal with the intelligence community. He wrote this for The Washington Post.

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Table listing international access numbers for various countries including Australia, Bahrain, Belgium, Czech Rep., Denmark, Egypt, Finland, France, Germany, Ghana, Greece, Hungary, Ireland, Israel, Italy, Kuwait, Luxembourg, Netherlands, Norway, Poland, Portugal, Saudi Arabia, Spain, Sweden, Switzerland, Turkey, and United Kingdom.

